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Marxism Today

ANDREW ROTHSTEIN — THE END OF EMPIRE?

J. R. CAMPBELL — HIGHLIGHTS OF NATIONALISATION PAST AND FUTURE

JOHN BRIGHT — THE WELFARE STATE

JOHN LEWIS — THE BASIS OF MARXISM

DISCUSSION: ARNOLD KETTLE — REPLY TO DISCUSSION ON THE ARTIST AND POLITICS

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Marxism Today

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The End of Empire?

Andrew Rothstein

Mr. Strachey in Difficulties

MR. JOHN STRACHEY has already written one book in recent years to explain why British capitalism, which he used to expose and attack before the Second World War, isn't really capitalism any more, and therefore ought to be defended by people calling themselves Socialists. Now he has published a second,[1] in which he does the same service for British imperialism, i.e. for the same British capitalism in its external aspect, as its political, economic and military machinery strikes the peoples of the British Empire, present and past.

This involves him at once in two special difficulties. One is personal. After all, Mr. Strachey used to explain in 1938 that "the inescapable tendency of any system in which the means of production are owned by a small class" is towards its development into imperialism—and that pressure from the workers is unlikely to convert that class to socialism, "to persuade the capitalists themselves into abolishing capitalism" (*What Are We To Do?*). Yet here he is, trying to show that that is just what is happening—after eight years of Tory government, too. The other is political. It is urgently necessary for Mr. Strachey—and particularly for every former member of the Labour Government (1945-51) who can put pen to paper—to do this, because for some time past there has been an increasing number of people who question whether it was right for that government to uphold British capitalism quite so zealously as it did, and for Labour in opposition to bury Socialist ideas quite so energetically since then. He did not know, of course, that the result of the 1959 General Election would reinforce their criticisms quite so strongly: but they existed long before. Yet the more he tries to prove to them that British imperialism has changed its nature, the louder become the voices in Africa and Asia who say it hasn't.

Some traces of these difficulties, indeed, can be seen in the way Mr. Strachey's book itself is presented. The short description of it on the inside cover says its object is to explain "the *voluntary* dissolution" of the British Empire. Mr. Strachey, in his own preface, evidently thinks this a bit too strong, and says his aim is to explain Britain's relationship to the world "now that her empire is being dissolved". Even this seems to leave him somewhat uncomfortable, and a few lines later he slips into a different formula—"the dissolution of her empire *in its old form*". We shall see later that this variety of formulas has its purpose. In the meantime, there is another curious feature about the book.

It is peppered with quite a number of statements about British imperialism which are clearly a survival from the days when Mr. Strachey couldn't say anything too bad about it, and which didn't fit in at all with the picture he is trying to draw. For example:

> "The successful achievement of massive foreign investment, and of the imperialism that went with it, immediately enriched, not the British people, but a narrow class of investors" (p. 154).
>
> "Ten per cent of the population could be counted as the substantial beneficiaries of the system of empire" (p. 215).
>
> "There are all sorts of salaries, expenses, 'connections' and jobs which derive, directly or indirectly, from colonial possessions" (p. 186).
>
> "If the [sterling] account between the colonies and the rest of the members of the Commonwealth were to be closed tomorrow, it would be impossible to deny that the colonial peoples had suffered grave exploitation" (p. 183).
>
> "Highly developed countries have such immensely higher *per capita* national income than the pre-industrial countries that the unrequited transfer of, say, £100 million a year may mean a *minor* addition to the wealth of the former but the imposition of a crushing burden upon the poverty of the latter" (p. 187).
>
> "It is possible to carry on the imperialist control and exploitation in an undeveloped country without retaining it as, or making it into, a direct and formal colony" (p. 198).
>
> "No underdeveloped country can become genuinely independent, in the sense of being able to develop its own resources, unless it can establish a government able and willing to interfere drastically in, first, its own internal economic life and, second and in particular, with the 'free flow of international trade'" (p. 203).

Each and every one of these statements (the truth of which is obvious nowadays to the naked eye) has its precedent in what Marxists and Communists have been saying for years. But this fact does not prevent Mr. Strachey making Marxists

[1] *The End of Empire* (Gollancz, 1959, pp. 351).

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and Communists the chief target for his scorn. Indeed, his book as a whole is based on the refutation of what he regards as the principal errors made by Marx and Lenin. There is, of course, an underlying sense in this. When you mix up bits of one view of the world with bits taken from a diametrically opposite and incompatible view, it is called eclecticism—which (as Lenin long ago pointed out) is another name for lack of principle, and its sole function is "to cover up opportunism and make it more attractive". And if there is in these islands an exponent of opportunism (the art practised by the famous Vicar of Bray in the old song) more experienced than others, it is Mr. Strachey.

However, let us see what he has against Marx and Lenin. He links the two because "Lenin's theory of imperialism is firmly rooted in Marx's vision of the inevitable course of capitalist development" (p. 104).

"Where Marx Went Wrong"

And what was that vision? Its central feature was "the theory of the ever-increasing misery of the mass of their [capitalist countries'] populations" (p. 104)—later specified as "the wage-earners of the advanced capitalisms" (p. 187).

The simple answer is that Marx never put forward that theory. What he did say was that, with the centralisation of capital ("one capitalist always kills many" — eh, Messrs. Clore, Thomson, Wolfson and company?) there develops "the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalist regime.[2] Along with the constantly diminishing number of the magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this, too, grows the revolt of the working class, a class always increasing in numbers and disciplined, united, organised by the very mechanism of the process of capitalist production itself" (*Capital,* Vol. I, English edition, 1918, p. 789).

This meant that the whole capitalist world must be taken into account, not merely one country or individual countries. And who can deny that—apart from the world wars which in the course of one generation (1914-45) have destroyed 60 million people and plunged far more than that number into misery—some 2,000 million people in the "under-developed" countries are living either in the conditions described by Marx or are painfully taking the first steps to struggle out of them?[3] Moreover, Marx regarded it as obvious that there were degrees of misery as there were degrees of exploitation ("be his payment high or low", he wrote of the labourer in this connection). He referred again and again to the achievements of the British workers in resisting attempts to worsen their conditions—and indeed, all his political writings show his profound belief in the growing "revolt of the working class". We shall see evidence of this later. Meanwhile, it is notable that Engels, too, had occasion to underline this. In 1891, commenting on the German Social Democrats' new draft programme, he wrote to Kautsky:

> "'Ever greater grows the number and the poverty of the proletarians.' This is not correct, expressed in this absolute fashion. The organisation of the workers, and their ever-growing resistance, can establish a certain barrier to the growth of poverty. What certainly grows is *the insecurity of existence.*"

Of course the underlying assumption of the "New Fabians" in the Labour Party—from Gaitskell to Strachey—has been for a number of years that this insecurity has been eliminated in Britain and the U.S.A., at any rate. But this theory has had one rude shock already—in the big increase of unemployment in 1958-9—and though it has gone down again in Britain, the growing competition on world markets, particularly the emergence of the two Power-groups—the "Six" and "Seven" Powers—above the surface of the previously unruffled ocean known as the Organisation for European Economic Co-operation spells others in the future. And what of countries like Spain and Portugal, Southern Italy, Greece, Turkey, Persia, vast areas of Latin America?

What Marx said was that the world of capitalism tended more and more in the direction he described, but that the class struggle to which the tendency gave rise produced increasing resistance to it. Mr. Strachey (and this is not the only occasion) forgets the class struggle.

It is not without interest that, in Mr. Strachey's insistence on the imaginary "theory of misery", history is repeating itself. Sixty years ago an earlier convert from Marxism, Eduard Bernstein, came forward with exactly the same case in his *Prerequisites of Socialism and the Tasks of Social-Democracy.* Karl Kautsky, then a Marxist, answered him. He pointed out that the "theory" had been launched not by Marx and Engels but by their opponents; that Marx did not exclude

[2] Marx and Engels had already described this process—and with it the existence of countries *living at different levels of misery* ("barbarian and semi-barbarian countries dependent on the civilised ones")—in the *Communist Manifesto* of 1848.

[3] *Capital,* Vol. I (English edition, 1918, p. 660).

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the possibility of the workers winning improvements for themselves here and there (as for example some trades in England); that in addition to "physiological" poverty there is social poverty —"the increasing contrast between the living standards of the bourgeois and the proletarian" (quite compatible with slowly rising standards for the latter), owing to the high proportion of an expanding mass of products reserved for itself by the capitalist class;[4] and that "the tendency of capitalism to the impoverishment of the masses displays itself with particular force and particularly extensively in those regions (we use the word both in its economic and its geographical sense) where capitalist industry has only recently penetrated, or in its border regions. It displays itself there, we repeat, with such force that it gives rise to the most profound poverty in the physical not the social sense—hunger, lack of absolute necessities, the dying-out of the population" (*Bernstein and the Social-Democratic Programme*, II, section (f) 'Theory of Impoverishment').

Lenin, who wrote with particular approval of this section of Kautsky's book, singled out the reference to the regions where capitalism was of recent growth ("under-developed countries", as we call them today) and to capitalism's "border regions" (or colonies) as particularly applicable to tsarist Russia.[5] And it is precisely this reference which has a direct bearing on the question of imperialism; and indeed Mr. Strachey himself admits in his book (pp. 309, 312) that "the industrial revolution, for the immense majority of mankind, is an event of the future, not of the past".

Nationalism

There is another "error" of Marx which Mr. Strachey wants to correct. Marx hadn't properly reckoned with nationalism. He had "never really believed that the workers as such could, or would, identify themselves with their own nation-states." This "immense underestimate of the strength of nationalism" is Marx's "great error in the political field" (p. 287).

Now of course Marx lived and died in a period when the only nation in the world possessing at any rate two of the main features of imperialism —vast colonial possessions and a monopolist position in the world market—was Great Britain. There had not yet come into operation the huge extension of imperialist penetration of the whole world, its world-wide export of capital; the repeated redivision of the world in two world wars; and the emergence of a socialist section of the world, whose prestige among the "under-developed" (i.e. colonially pillaged and oppressed) nations Mr. Strachey has to admit (with a slight grinding of teeth); all of which have awakened the vast colonial and semi-colonial peoples to the present irresistible struggle for nationhood. One might be justified in telling Mr. Strachey that his reproaches might be addressed just as well to John Locke, Dante or Aristotle, theoreticians of earlier stages in the history of society!

But as a matter of fact, both Marx and Engels drew from the examples before them the clearest conclusions as to the strength of national feeling, the need to satisfy it as part of the workers' emancipation struggle and even as a preliminary —and also of the possibility that even in the most advanced nations the workers might identify themselves with their own *bourgeois* nation-state (to their own great disadvantage).

Mr. Strachey need only have looked at the Marx-Engels *Selected Correspondence*, available in English since 1934. In precise contradiction to his picture, we find Marx, at the General Council of the International, ridiculing French would-be Socialists who had announced that all nationalities and even nations were "antiquated prejudices" (letter to Engels, June 20th, 1866). On Ireland, he declared again and again that "self government and independence from England" were the preliminary which would make possible an agrarian revolution and the rebuilding of Irish national industries (letter to Engels, November 30th, 1867). As regard the English workers themselves—at that time—an agrarian revolution in Ireland must hasten proletarian revolution in England (the reasons why, he sets out circumstantially): and therefore "the national emancipation of Ireland is . . . the first condition of their own emancipation" (letter to Meyer and Vogt, April 9th, 1870). Similarly, in a letter accepting a mandate from the Russian revolutionary émigrés in Geneva to represent them in the International, Marx welcomed their denunciation of the tsarist oppression of Poland, which hindered the political and social freedom of both Russians and Poles: he pointed out that it also was the bulwark of the military régime in Germany. Thus the smashing of Poland's chains would be "a preliminary condition for the general emancipation of the European proletariat" (letter to Engels, March 24th, 1870).

At the same time, as against French Bonapartism, Marx and Engels advised the German Socialists to join in the movement for national unity which arose during the Franco-Russian war

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[4] Engels pointed this out in his preface (1891) to Marx's *Wage-Labour and Capital*.

[5] *Review* of Kautsky's book, and *A Draft Programme of Our Party*: both written in 1899, and printed in Vol. 4 of Lenin's *Collected Works* (4th Russian edition).

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—because this would be to the advantage of both German and French workers—provided that it was limited to the defence of Germany (until then a mass of disunited states, in the main police-ridden) and that German national interests (and unity of interests between German and French workers) were "emphasised", as against Russian dynastic interests (letter of Engels to Marx, August 15th, 1870, and Marx's reply, two days later).

How do Mr. Strachey's charges stand up to these examples of Marx's "immense underestimate of the strength of nationalism" (many others too)?

But Marx and Engels were well aware, too, of how even in most clearly capitalist nations, not requiring to shake off the clogging survivals of feudalism like Ireland, Poland or Germany, the workers could "identify themselves with their own nation-state".

In the letter of 1870 to Meyer and Vogt quoted earlier, Marx wrote of the ordinary English worker who "feels himself a member of the ruling nation and so turns himself into a tool of the aristocrats and capitalists against Ireland, thus strengthening their domination over himself". Another twelve years were to pass, and Engels was again to write of the English workers thinking about colonial policy "the same as the bourgeois think", and gaily sharing "the feast of England's monopoly of the world market and the colonies" (letter to Kautsky, September 12th, 1882). Yet another twelve years—and we find Engels writing: "The English workers are people who simply make you despair: they are filled with a sentiment of their imaginary national superiority and completely bourgeois ideas and views" (letter to Plekhanov, May 21st, 1894).

Nor was he under any illusions about the workers in the United States—"a country rich, vast, expanding, with purely bourgeois institutions unleavened by feudal remnants of monarchical traditions" (letter to Florence Wischnewetsky, June 3rd, 1886), but equipped with "masses of medieval traditions, religion, English common (feudal) law, superstition, spiritualism, in short every kind of imbecility which was not directly harmful to business and which is now very serviceable for making the masses stupid" (letter to Sorge, November 1886). In that environment, Engels found it "quite natural that . . . bourgeois prejudices should also be so strongly rooted in the working class", and that the American worker should imagine "that the bourgeois régime as traditionally inherited is something progressive and superior by nature and for all time" (letter to Sorge, December 31st, 1892).

No, it is not for Mr. Strachey, who directed the war on the people of Malaya, who took part in the Labour Government which massacred hundreds of people in Bombay in February 1946, and arrested hundreds more in the next twelve months all over India, stimulating terrible communal riots in 1946 by its playing on Moslem-Hindu differences, and who today justifies the war in Korea, to lecture Marx on underestimating the strength of nationalism.

Lenin's "Mistakes"

Of course Lenin follows Marx. His big mistake was, according to Mr. Strachey, that he dismissed the possibility that "the wage-earners and farmers might become steadily richer instead of poorer", by using "democratic institutions" (particularly trade unions, but also "an all-persuasive democratic political environment") to come to terms with the big industrial monopolies—"so far at any rate". "Lenin, like Marx before him, overlooked the economic consequences of democracy", which were that the big trusts in America and Britain have preferred to part with some of their potential profit—"so far" (pp. 101-111). Lenin's conception of the basic economic tendency of capitalism—uneven development and wretched conditions of the masses, which create a superfluity of capital at home and stimulate its export to backward countries to get higher profits—"has proved reversible". There was a way out, alternative to imperialism, says Mr. Strachey—it was "an adequate and sustained rise in the consumption of the non-capitalist nine-tenths of the population" (pp. 117-118). By this time, Mr. Strachey has abandoned his tiny but so important saving clause—"so far at any rate".

Incidentally, Mr. Strachey suggests that Lenin followed the Liberal economist J. A. Hobson in explaining the tendency to imperialism by under-consumption of the goods produced in the capitalist economy and urging that the consuming capacity of the people should be raised (pp. 99, 104, etc.). The basis of this suggestion is, of course, the imaginary "theory of increasing misery" we have already looked at. But in addition one may point out that it is precisely Hobson's explanation and alternative which Lenin rejected as petty bourgeois "pious wishes" (*Imperialism, The Highest Stage of Capitalism,* Little Lenin Library edition, p. 97). Mr. Strachey will be interested to learn that, in his summary of Hobson's book, made as part of the immense preparatory studies for *Imperialism,* it was just at this point that Lenin wrote in the margin: "Ha, ha! The essence of the petty bourgeois criticism of imperialism" (Lenin, *Notebooks on Imperialism* [in Russian], 1939, p. 360). But before dealing with what Lenin did say about undercon-

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sumption, some of Mr. Strachey's earlier assertions must be examined.

First and foremost, it is quite untrue that either Marx or Lenin "overlooked the economic consequences of democracy", i.e. failed to understand that the rights to organise, first on the industrial field and then politically, which the workers won by strikes and threats of worse than strikes, entailed certain improvements in their position in society—which would cost something to the capitalists and thus lead them to part with some of their profits. Mr. Strachey's ignorance—or ignoring—of the evidence in this respect is quite shocking. We may summarise it for him.

1847. *The Poverty of Philosophy* (Marx). "Permanent combinations have been formed, *trade unions*, which serve as ramparts for the workers in their struggles with the owners."

1848. *Manifesto of the Communist Party* (Marx and Engels). The working class "compels legislative recognition of particular interests of the workers, by taking advantage of the divisions among the bourgeoisie itself. Thus the Ten-Hours' Bill in England was carried."

1864. *Inaugural Address of the International Working Men's Association* (Marx). After reference to the Ten-Hours' Bill: "But there was in store a still greater victory of the political economy of labour over the political economy of property. We speak of the co-operative movement, especially the co-operative factories raised by the unassisted efforts of a few bold 'hands'. The value of these social experiments cannot be overrated."

1865. *Value, Price and Profit* (Marx). The relationship between profits and wages "is only settled by the continuous struggle between capital and labour. . . . The matter resolves itself into a question of the respective powers of the combatants". Trade unions "work well as centres of resistance against the encroachments of capital". They fail, generally "from limiting themselves to a guerrilla war against the effects of the existing system, instead of simultaneously trying to change it".

1868. *Review of Marx's Capital* (Engels). "Universal suffrage compels the ruling classes to court the favour of the workers."

1881. *Articles in "The Labour Standard"* (Engels). "Trade unions in England, as well as in every other manufacturing country, are a necessity for the working classes in their struggle against capital. . . . The great merit of trade unions, in their struggle to keep up the rate of wages and to reduce working hours, is that they tend to keep up and to raise the standard of life. . . . It is only with the fear of the trade unions before his eyes that the capitalist can be made to part with the full market value of his labourer's power. . . . These powerful organisations . . . have attained more than that—the ruling class, which knows their strength better than they themselves do, has volunteered to give them concessions beyond that. Disraeli's household suffrage gave the vote to at least the greater portion of the organised working class."

1892. *Preface to Second German edition of the "Condition of the English Working Class"*. The appearance of Socialist candidates in the Parliamentary election had "produced election results hitherto unheard of in England. . . . Boundless is the joy thereof among the working people. For the first time they have seen and felt what they can achieve by using their suffrage in the interest of their class."

Thus over nearly half a century Marx and Engels showed that they very well realised the economic consequences (and possibilities) of democracy—bourgeois democracy—for the working class. But Lenin "as a Russian" had no experience of it, argues Mr. Strachey. No, that horse won't run either.

Lenin on Democracy

1899. *Our Programme*. "No economic struggle can bring the workers a stable improvement, or can even be waged on a wide scale, if the workers have not the right freely to organise meetings, unions, have their own papers, send their representatives to National Assemblies, as the workers of Germany and all other European countries do (except Turkey)."

1902. *Draft Programme of the Russian Social-Democratic Labour Party*. "The R.S.D.L.P. considers its immediate political task to be the overthrow of the Tsarist autocracy and its replacement by a Republic on the basis of a democratic constitution, ensuring—" [then follow the fundamental demands of bourgeois democracy—supreme authority of the people's elected assembly; adult suffrage and secret ballot; personal liberty; freedom of conscience, speech, press, meeting, formation of unions; right to strike: abolition of sex, religious and racial discrimination, etc.].

1905. *Two Tactics of Social-Democracy*. "We cannot break out of the bourgeois-democratic framework of the Russian Revolution, but we can enlarge this framework to an enormous extent, we can and must within this framework fight for the interests of the proletariat, for its immediate needs and for conditions which will prepare its strength for complete victory in the future. . . . There are bourgeois democratic conditions like those in Germany and like those in England, like those in Austria and like those in America or Switzerland.

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A fine Marxist he would be who, during a democratic revolution, overlooked this difference between degrees of democracy and the different character of its various forms, confining himself to 'sagacious' remarks about it being after all a 'bourgeois revolution'."

1911. *Old, But Eternally New Truths.* "Beyond the slightest doubt English and French conditions are far more democratic than Prussian, far more favourable for the struggle of the working class, stand much higher in respect of the dying out of antiquated medieval institutions which hide from it its real opponent. Therefore there cannot be the slightest doubt that it is in the interests of the Russian workers to support all efforts to recreate our country on Anglo-French lines rather than Prussian. But we should not stop at this unquestionable conclusion, as happens too often."

1917. *State and Revolution.* Engels and Marx constantly repeat that "the democratic republic is the nearest approach to the dictatorship of the proletariat. For such a republic—without in the least abolishing the domination of capital, and therefore the oppression of the masses and the class struggle, inevitably leads to such an extension, development, unfolding and intensification of that struggle that, as soon as the possibility arises of satisfying the fundamental interests of the oppressed masses, this possibility is achieved inevitably and solely in the dictatorship of the proletariat. . . . The fact that Engels said that in a democratic republic, 'no less' than in a monarchy, the state remains 'a machine for the oppression of one class by another', does not signify that the form of oppression is a matter of indifference to the proletariat, as some anarchists 'teach'."

1919. *On "Democracy" and Dictatorship.* Marxism taught the workers: "You should make use of bourgeois democracy, as a tremendous historical progress compared with feudalism, but don't for a moment forget the bourgeois character of that 'democracy', its historically conditional and limited character."

To say, when we have on record these and many other observations by Lenin on bourgeois democracy—during a political life of over thirty years—that he regarded it "simply as the contemporary form taken by the rule of the capitalist class", betokens either gross ignorance (and it is difficult to believe that of Mr. Strachey) or . . . indifference to facts.

Of course, Lenin did not say that, by the mere use of the opportunities presented by bourgeois democracy, the workers could establish a socialist system. He did not conceal the limitations of capitalist democracy: that the capitalist class always takes to arms—if it can—when faced with really serious demands by the working class, even when put forward quite democratically. But it is not for Mr. Strachey, who not only led the war on the Malayan people for doing just that but actually, in this very book (p. 257), tries to manufacture a "theoretical" justification for the Tories having done it in British Guiana, to challenge Lenin's logic. He could of course have undertaken to show that, given the present balance of forces in the world—which did not exist when Lenin died in 1924—and provided the working class in Britain is sufficiently united and resolute, there is a chance that it may come to real power without that happening here, at any rate in a fatal form. But that would not have suited Mr. Strachey's book. He wanted to say something different: that the workers can become "steadily" richer instead of poorer, and maintain a "sustained" rise in their consumption, *by agreement with the capitalist trusts*—and therefore that British imperialism has changed its nature, and doesn't need to export capital.

Lloyd George

He quotes Lloyd George's "People's Budget" and social reforms before the First World War, as a sign that "the social and economic balance of the nation" was already being redressed then in favour of the wage-earners (p. 134): following in this Lloyd George's own complacent boast that he began in this way to "soften and mitigate" class conflicts in Britain (p. 230). In order to avoid "head-on collisions", says Mr. Strachey, capitalism has changed its character. Thereby he gives away the weakness of his whole argument. In his ignoring of the history of the class struggle in Britain—which led to his total misrepresentation of Marx's views, seen earlier—Mr. Strachey has also ignored the fact that, to avoid head-on collisions, British capitalism has *many times in history* made such concessions, in order to pursue its world-wide aims. The whole history of the nineteenth century, not only industrial, but political, shows that. The tremendous working class struggle at a time of acute economic crisis in the 1860's (to take but one example) forced the capitalist class to accept the second Reform Bill and the Master and Servant Act (improving the legal position of the trade unions) in 1867; and this concession in turn involved a series of further concessions in the next few years, on education, public health, factory conditions, the Plimsoll line, trade union rights again. Did these reforms mean that the British capitalists "parted with some of their potential profits"? Of course they did—but they helped to keep the best

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organised section of the workers quiet when the great grab for Africa began a few years later.

Lenin, too, paid tribute to the skill of Lloyd George in buying off the British workers at critical moments with promises of reforms—and the last years before the First World War were certainly critical for British imperialism. And it is interesting to find the essential identity of views in this respect which existed between British Socialists and Lenin. The "People's Budget" of 1909 (the Tories even called it a "Socialist" Budget) imposed some new taxes on land and heavier licensing (public house), spirits and tobacco duties. About £14 million were to be raised in this way: the newly introduced old age pensions were to cost £8-9 million—and four new Dreadnoughts and other new warships an additional £6 million. Thus social concessions (for which the workers were to pay at least £6 million in various ways themselves) went hand-in-hand with intensified war preparations. If this scheme was to be called "revolutionary and socialistic", wrote the sarcastic commentator in the Social-Democrats' *Socialist Annual* (1910), "we must hail William the Norman, his successors William of Orange and Farmer George, as comrades".

Or, as Lenin put it in a comment some years later on some speeches by Lloyd George, whom he called "this greatest master of strike-breaking by brazen swindling of the workers: the best servant of the British capital which enslaves both the British workers and the 300 million people of India": "You can't restrain the [British] people by violence—you can do it only by deception. The Labour movement is growing irresistibly. Their attention must be distracted, their attention 'occupied' by far-reaching schemes of reform, the semblance of war with the Conservatives put on, concessions promised, to keep up their trust in the Liberals, to keep them following the industrial and financial capitalists like sheep following their shepherds" (October 1913). In fact, within twelve months they had been led like sheep—to the slaughter of the war of 1914-18.

Expenditure of this kind, therefore, as Mr. Strachey knows very well, the British monopolist trusts and their political parties (Mr. Gaitskell has promised us, in *Industry and Society*, that the Labour Party is to be among these parties in a very literal way) have never grudged, once they knew that the working class was properly roused. They have never regarded what it would cost as "surplus profit": it was part of "potential profit", surrendered—yes, to avoid a head-on collision where possible. There is another example—that of July 1925 ("Red Friday"), when they bought off the coal struggle for nine months. Thus they postponed it until they were ready. They have always preferred the head-on collisions to take place in the colonies—and there they never spared bullets. But when one occurred in Britain, in the General Strike of 1926, they brandished their guns too (the same guns they had used at Featherstone in 1893 and Llanelly and Liverpool in 1911). It was only the existence of new Lloyd Georges at the head of the Labour movement then which prevented their bluff being called.

Incidentally, it was a very strange "softening and mitigation" of class conflict which occurred in Britain between 1919 and 1926. Our author might with advantage read Allen Hutt's history of this period.

Indeed, when all Mr. Strachey's arguments are sifted—his misrepresentations of Marx and Lenin, his discovery of peculiar virtues in the British and American trusts (he admits that they have only given way to pressure, not done it out of philanthrophy)—his historical argument against Lenin merely amounts to this: that for some fifteen or twenty years there have been concessions to the workers, and an absence of "head-on collisions", in Britain and America. This seems to him to prove that a new era has begun, "an extremely important modification imposed on capitalism", and that democratic forces have "succeeded, in a few key countries, in modifying the character of capitalist development".

But has he attempted a *class* analysis of the situation in Britain and America during these fifteen or twenty years, as one who used to write and lecture on Marxism might be expected to do? Not a bit of it; he prefers to set up Aunt Sallies of his own invention, label them "Marx" and "Lenin", and knock them down at his ease. Why? Because attention to the facts would show:

1. That never in the history of modern Britain had the British working class reached such a commanding position in society as it did in the Second World War—not only economically (for this was a war of industrial technique as never before) but also politically (owing to the utter bankruptcy of the Tories by 1940 and the advanced political thinking of the Army).

2. That this necessitated very considerable concessions to the working class by the capitalist class, even during the war (as comparison with 1914-18 would show) and still more after the war: concessions only partially reflected in the Labour majority of 1945, and which even the Tory victories of 1951 and afterwards did not make it possible easily to withdraw.

3. That this coincided with an immense upsurge of revolt among the colonial peoples, which has changed the face of the world: and of the loss to

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world capitalism of a huge further bloc of socialist countries: with the result that there developed a literal fear of extensive *colonial* investment (and for some years of exporting capital to other regions).

4. That the combination of the surplus of capital that was created, *plus* the enlarged home market imposed by the above-mentioned circumstances on the capitalist class, *plus* the post-war "replacement boom" abroad as well as at home, *plus* the need to continue concessions to the British workers in an epoch when the success of true socialism—revolutionary Marxism—in the U.S.S.R. and its allies is becoming perfectly clear, has been sufficient to keep up the pace—"so far". As a result, there has been created what Aneurin Bevan, at the Blackpool Labour Party Conference on November 29th, 1959, rightly called "a temporarily affluent society".

5. But that there is no evidence whatever that the *basic*, determining characteristics of imperialism, or modern capitalism—whether British or foreign—have changed, and Mr. Strachey has been unable to produce any: and his cautious reservations—"so far" and "so far at any rate"—reveal that in reality he has been passing off very spurious goods for the real stuff, and knows it, and is afraid of what will happen when things go wrong.

The Root of the Matter

Here we must deal, however briefly, with these basic determining characteristics of imperialism, as Lenin saw them—and as Mr. Strachey *asserts* Lenin saw them: and see whether in fact imperialism as a world phenomenon has changed. It will be useful to begin by what Mr. Strachey says was Lenin's position.

He says: "Lenin considered that latter day capitalisms had to become imperialist essentially because of their inherent inability profitably to dispose of their products at home" (p. 104). This is not true. Lenin thought nothing of the kind. It is an utter travesty of Lenin's view: and not only because—as Mr. Strachey himself admits—it implies acceptance of an alleged theory of Marx of "ever increasing misery", which in reality neither Marx nor Lenin accepted, as we have seen. We shall consider Lenin's real view in a moment. Meanwhile, it is sufficient to point out that Lenin wrote in his book that "the economic quintessence of imperialism is monopoly capitalism" (section X); and in describing monopoly capitalism—the principal feature, he said, of modern capitalism—he wrote (section VI):

> "The more capitalism is developed, the more the need for raw materials is felt, the more bitter competition becomes, and the more feverishly the hunt for raw materials proceeds throughout the whole world, the more desperate becomes the struggle for the acquisition of colonies."

Where in all this is Mr. Strachey's "inability to dispose of their products at home"?

Mr. Strachey says that "one of the most important concepts" of Lenin's theory was the law of uneven development, which asserted that in highly developed capitalisms there were "chronic disproportions", one at home—which meant that the population had "no chance of raising its standard of life" (p. 105)—and one abroad—which meant that latecomers, overtaking Britain by their economic development, would be forced into struggle with her—"because of their inability to expand their own internal markets" (pp. 107-8).

Later, Mr. Strachey speaks of this law as applying to "social classes" within the imperialist states (p. 115), and "unequal development of the market forces" (p. 116).

This is again a travesty of what Lenin said. He did not speak of *internal* disproportions in this connection at all—although it is quite easy to see, from all the foregoing, why Mr. Strachey wants to attribute this to him. Lenin spoke of "uneven development" only in connection with "the division of the world" (section V), "the expansion of colonial possessions" (section VI), "differences in the rate of development of the various parts of world economy" (section VII). Mr. Strachey drags in his long rigmarole about internal conditions to support his utterly baseless attribution to Lenin of his own "Aunt Sally" about the hopelessness of the workers trying to improve their conditions.

Mr. Strachey says that, according to Lenin, the "drive to imperialism" was connected with "the export of producers', as opposed to consumers', goods" (p. 106). This is not true. Lenin spoke of the export of *capital*, in contrast to the export of goods, as "the typical feature" of monopoly capitalism (section IV); and he treated French imperialism as "usury imperialism", rather than "colonial imperialism" like the British, precisely because its capital exports were largely loan capital, money. But it was none the less imperialism for all that, and he gave a number of examples of the political and economic advantages it brought to the big French monopolies. Mr. Strachey needed this distortion of Lenin's views in order to distract attention from the *continuing* role of capital exports today.

Let us turn to what Lenin actually said about it, and see how his views stand up to the real test—the world as it is today.

Lenin gives the following five essential features

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of imperialism (*Imperialism, The Highest Stage of Capitalism,* section VII).

"1. *The concentration of production and capital developed to such a high stage that it created monopolies which play a decisive role in economic life.*"

Has that changed since Lenin's day? Yes, it has become even more true. For Britain, one need only quote the opinion of Mr. Strachey's own party. Since 1918, it says, "mergers have taken place in all the main divisions of industry, in manufacturing, in distribution, in banking and in shipping . . . they have strongly promoted—indeed required—the emergence of the *large firm* . . . 512 large companies, each with assets in excess of £2.5 million, which tower over the private sector . . . account for just under 50 per cent of the total profits earned by private industry" (i.e. by 291,000 companies). In addition, there are a number of large companies, which "operate mainly overseas (in particular the oil companies) or in the field of finance, banking and insurance". There are not many of them, "but they include some of the largest in the country" (*Industry and Society,* pp. 11-14). In West Germany seventeen monopolies (10 per cent of all companies) own over 80 per cent of all capital (two of them, for example, producing 87 per cent of the coal) and three banks control the greater part of all banking capital: in 1938 nineteen monopolies owned about 50 per cent of the capital, and the big banks numbered four. In the United States, the share of the 200 biggest corporations in total sales rose from 37.7 per cent in 1935 to 45.5 per cent in 1955. Five hundred largest industrial companies (about 0.4 per cent of the total) employed about 50 per cent of all American wage-earners, owned 50 per cent of the industrial output and 59 per cent of the total assets—and received 68 per cent of all profits. In France five monopoly groups control 75 per cent of steel output, four groups practically all motor output, three groups over two-thirds of shipbuilding, etc.: this development has been particularly marked since the Second World War. In Japan the great concerns controlling the lion's share of all the main industries of the country—Mitsui, Mitsubishi, Sumitomo, and a few others—have been restored.

This brief summary could be extended and made more detailed. Since Lenin's day the position has grown worse, not better. The take-over fever of 1959-60 is the latest reminder to British readers.

2. *"The merging of bank capital with industrial capital, and the creation, on the basis of this 'financial capital', of a 'financial oligarchy'."*

In Great Britain, the "Big Five" banks accounted for 86 per cent of all bank deposits in 1951, and with the four largest insurance companies control about £10,000 million. Their directors, together with those of three other banks—through advances, investments and underwriting share issues in particular—have immense connections with every other kind of enterprise: and this is reflected in the holding, by seventy of them, of directorships in all the greatest industrial trusts, such as G.E.C., Courtaulds, Steel Company of Wales, J. and P. Coats, Dunlop, I.C.I., Royal Dutch Shell, English Electric, Vickers, Imperial Tobacco, Stewarts and Lloyds, Richard Thomas and Baldwin, P. and O., Furness Withy and scores of other big industrial, insurance, financial and commercial firms (these facts and many others were given by Sam Aaronovitch in *Monopoly*). In the United States eight big financial groups—some which began as bankers, others as industrial magnates, but now are each fused into an indistinguishable body—in 1954 controlled 218 billion dollars' worth of shares, or over 25 per cent of the total capital of all American corporations.

In France ten financial groups control 80 per cent of all banking capital, and are intimately linked with control of industry (one largely controlling the aluminium, electrical engineering, paper and other industries; another ore-mining, chemical, power and oil-refining, etc.). In all the developed capitalist countries, this type of fusion is far advanced.

The Export of Capital

3. *"The export of capital, which has become extremely important, as distinguishable from the export of commodities."*

There are various estimates of Britain's overseas investments: one writer in the *Financial Times* (August 8th, 1958) put them (including British holdings in foreign companies) at £6,500 million: a *Daily Telegraph* estimate (October 29th, 1957) had been even higher—from £8,000 million to £10,000 million. In 1938 they stood at £4,500 million. United States investments abroad in 1957 were over £21,000 million—nearly five times the 1938 figure (there are much higher estimates). West Germany, between 1952 and 1958, invested nearly £200 million abroad, thus resuming capital exports after a long break. The income from British foreign investments plays an important part in closing the unfavourable gap created by Britain exporting less than she imports.

4. *"The formation of international capitalist monopolies which share the world among themselves."*

Many examples could be given of the energy with which this process is developing: but the most topical is that of Africa. Thus the Deutsche

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Bank and the two biggest French banks are linked in a financial concern for the purpose of investment in Africa. Big French, American, British and Swiss firms have formed a company for aluminium production in Guinea. The European Coal and Steel Community are prospecting for iron and manganese ore in the French semi-colonies, with a view to big extraction schemes. These investments are for the purpose of securing raw materials to be worked up abroad, not in Africa itself: and for the same reason the lion's share of the 10 billion dollars of foreign investments in Africa between 1947 and 1957 (coming from the U.S.A., Britain, France and West Germany) were in countries where the hold of the white minority linked with European capital was considered safest—South Africa, Congo, Southern and Northern Rhodesia. Mr. Strachey himself has to admit that Britain "had" to share profits of Near Eastern Oil with the U.S.A. even before the war, and later those of the Kuwait oilfields (p. 158). In fact, of 380 million tons of oil secured in Asia, Africa and Latin-America in 1957, 313 million tons were produced under the control of American, British and Dutch companies (V. Rymalov, *Decline of Imperialism and the Underdeveloped Countries,* in *International Affairs,* No. 4, 1959).

5. *"The territorial division of the whole world among the greatest capitalist powers is completed."*

Within eighteen months of Lenin finishing his book, the first attempts at a redivision of the world had led to one-sixth of it falling out of the power of the great trusts: and three years of invasion failed to restore Soviet Russia to their clutches. Then, after less than fifteen years of capitalist restoration elsewhere, came a series of new attempts—Japan in China: Italy in Ethiopia: Germany in Austria and Czechoslovakia (with the joint Italo-German overthrow of the Spanish Republic, to instal a regime favourable to them, by the way)—culminating in a further attempt to redivide the world. In the course of the Second World War, as Mr. Strachey himself points out, two huge new empires were created, in Europe and in Asia; but in their overthrow a further vast "deduction" was made from the capitalist camps, and the socialist world increased its population to over 900 million. Since then a vast section of the world's population, numbering close on 500 million, have thrown off the colonial yoke. The capitalist Great Powers are squeezed into a smaller area than ever.

Lenin's Analysis Stands

But not of their own free will—and in this point, as in the other four, Lenin's characterisation of imperialism stands unshaken. It is indeed "one of the most extraordinary turning points in history", as Mr. Strachey writes (p. 138)—but because it is the world system of capitalism itself that is falling, not because the "relaxing grasp" is voluntary. It is the class struggle on a world scale—the revolt of the proletariat, the peasants, the colonial people, the "little man" exploited by the trusts—which has led to this transformation. We have referred already to the two rival trade blocs—the "Six" and "Seven" emerging in Europe. But the huge armaments piled up by the imperialist Great Powers since the war, their rejection over so many years of Soviet proposals for disarmament and peaceful settlements, their bloody repressions still going on in Malaya, Central and East Africa, Algeria, Irian, Panama, show that, if opportunity presents itself, they are still ready to appeal to arms as well. And if in 1960 they are—though locked in violent internal controversy about it—moving slowly and reluctantly towards some agreement with the socialist countries, it is only because they feel too uncertain about the outcome of a third world war.

And this is the answer to what Mr. Strachey evidently thinks is his trump card, when he quotes (p. 110) Lenin's remark, made in passing, in connection with the analysis of the export of capital (section IX of his book):

> "It goes without saying that if capitalism could develop agriculture, which today lags far behind industry everywhere, if it could raise the standard of living of the masses who are everywhere still poverty-stricken and underfed, in spite of the amazing advance in technical knowledge, there could be no talk of a super-abundance of capital. This 'argument' the petty bourgeois critics of capitalism advance on every occasion. But if capitalism did these things it would not be capitalism; for uneven development and wretched conditions of the masses are fundamental and inevitable conditions and premises of this mode of production. As long as capitalism remains what it is, surplus capital will never be utilised for the purpose of raising the standard of living of the masses in a given country; for this would mean a decline in profits for the capitalists; it will be used for the purpose of increasing those profits by exporting capital abroad to the backward countries."

Capitalism made some concessions to farmers in the U.S.A. under the New Deal and for war purposes, and in Britain for war purposes and for political reasons after the war—and Mr. Strachey jumps for joy (although the farmers are not so certain today that a new era has begun). But the capitalists went on ruining hundreds of millions of peasants in Latin America, Africa and Asia,

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and waging war on them too. That, of course, doesn't count for Mr. Strachey. The capitalists of the U.S.A. and Britain made some concessions, under pressure, to the workers of their countries: and the American capitalists parted with 40 million dollars, the vast bulk of them for arms, to try and "stop the rot" in Western Europe, the Near and Far East, etc. But how much of this went to the "common man"—whom Lenin had in mind, and of whom there was much talk during the war? You have only to read the daily lamentations in the capitalist press about the "challenge" of Communism in these regions, indeed you need go no further than Mr. Strachey's own admissions about the 2,000 million hungry peasants, to have the answer—and to realise the utter hollowness of his attempts to show "Lenin's error".

And this makes particularly absurd his efforts to whitewash British imperialism, past and present.

Apologies for British Imperialism

Mr. Strachey begins his book with a long account of the British conquest of India, in which he does not spare the colours. "You all see, ladies and gentlemen, that I have nothing up my sleeve." No one must doubt, in short, that he really is a genuine anti-imperialist. Quite so. . . .

But why does he so studiously (because so often) avoid explaining that it was a *feudal* India which was conquered (and kept in feudal and tribal backwardness) by a capitalist Britain (pp. 12, 15, 21, 37, 78)—if not to prevent "dangerous comparisons" with what capitalist Britain is doing elsewhere today?

Why does Warren Hastings, as great a plunderer and killer of Indians in the interests of the East India Company as any in history, suddenly appear as a "fascinating" figure, and "enlightened" reformer of the administration, with two unnamed Indian gentlemen going quite sentimental over him (pp. 46-7)—if not to distract attention from the fact that the British "administraion", from beginning to end, was the machinery for regulating and protecting the plunder of India?

What evidence has Mr. Strachey for asserting that the network of railways, roads, canals and bridges, as well as the "splendid administrative and fiscal structure of the Indian Civil Service" (p. 58) was not built "simply and solely" to enable British capitalists to "make more money out of India"—when he does not quote a *single* piece of evidence to the contrary, but does show how even a small measure to help economic development "remained a dead letter owing to the obstruction of British commercial interests"?

Mr. Strachey speaks of an "ebb", a "lull", a "temporary recession in the tide" of imperialism "in the earlier decades of the nineteenth century" (pp. 69-73)—apart from the first attack on China (1842) and the completition of the conquest of India (a fine "lull" indeed, with major "storms" bursting over the two largest peoples of our globe!). Here is a brief chronicle of this lull, up to 1860 (there were seven wars in India between 1817 and 1856):

1824-26 War with Burma.
1824-31 War with Ashanti.
1837-39 Seizure of Aden.
1838-42 War with Afghanistan.
1842-43 Natal annexed (after suppression of a Dutch republic there).
1851 Lagos assaulted and taken.
1851-53 War with Burma.
1856-57 War with Persia.
1856-58 Second China War.
1859-60 Invasion of China against the "Taipings".
1860 War on Maoris in New Zealand began (lasted six years).

Again and again Mr. Strachey contrasts the giant plunder extracted from India and elsewhere by individual rogues holding administrative positions, or British companies able to plunder through their paid servants, with the undoubted fact that "Britain" as a whole, or the British people, gained little from it (pp. 63, 64, 66, 67, 90, etc.). Why—if not to play down the part that these ill-gotten gains played, by flowing from part to part of the British economy, in promoting the industrial development of Britain? But for this one must go to other sources—for example, the inescapable evidence piled up in R. P. Dutt's *India Today*.

We come to Egypt, and learn—on the authority of Lord Cromer, the best-hated British ruler of that country during the seventy years of occupation after 1882—that the young soldier Arabi Pasha, who led the national uprising against the British and French landholders and officials, controlling the country through the corrupt Khedive, would have formed an "exceedingly rough-and-ready" government, and "very likely" an unstable one. So perhaps, after all, British occupation was inevitable—and "no one should doubt the remarkable character of the British constructive achievement" (p. 85).

The Egyptians themselves doubted it so much that again and again British troops and British-controlled police had to shoot, baton, imprison and flog them (not to speak of the wholesale massacres of 1919 and 1951-52) in order that they should see how "remarkable" that achievement was. Only the most corrupt elements in society—the puppet kings, their courtiers and the

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big landowners—were on the side of the British, and when a young student, Wardani, shot a British puppet Premier, Boutros Pasha (1910), he became a national hero.

As for Arabi, what we know of him apart from Lord Cromer's prejudiced evidence is that he wanted (i) the peasant soldiers not to be used for compulsory labour on the landowners' estates, (ii) officers drawn from the peasantry to be allowed to rise above junior ranks, (iii) a government of Egyptian patriots (i.e. not British placemen), (iv) cleansing by Parliamentary committees of the public services from foreign corrupt control, (v) a democratic constitution, (vi) abolition of forced labour by the peasantry—and that he was supported by practically the entire nation, from the heads of the chief religions and of the national university to the peasantry in remote villages. Mr. Strachey could have read all the documents on this in Blunt's *Secret History of the British Occupation of Egypt*. But he ignores them —as he ignores the well-documented proofs of British, not French, prime responsibility for the blackguardly bombardment of July 11th, 1882.

Then comes an extraordinary series of whitewashings of the later stages of British rule in India. In 1909 the "Morley-Minto reforms" established some very limited local self-government in India. This is hailed as the "beginning of the process of establishing free, democratic institutions", which was "genuinely voluntary" because "nothing compelled the British Government": Indian nationalist pressure was not yet strong enough to have "insisted". It was all the foresight of the "Liberal statesmen of the day". In 1919 came the "Montagu-Chelmsford reforms", which established "fairly significant" self-government in the provinces. This was "under the shock of the First World War", although by 1918 Indian nationalist pressure was "becoming really strong". Then came an Act in 1936 giving some "slight measure" of self-government at the centre. All this enabled a "shadow government" to be created, thanks to the British not being "unyielding" and gradually introducing parliamentary institutions (pp. 130-132). And finally came the "comparatively peaceful dissolution" of the British Empire, by the liberation of India (p. 133).

Incidentally, Mr. Strachey admits that this remarkable picture is unique in history: "all other imperialists have, on the contrary, resorted to ever-increasing force and violence" (ibid.). So that, even if Mr. Strachey's picture were true, it would prove nothing about present-day imperialism as a general phenomenon, since French, Belgian, Dutch, American (and latterly Australian) imperialism is no less deserving of the title than British. But the fact is that the picture is not true: no bigger travesty of British imperialist history could have been written by an avowed Tory or Liberal.

Strachey's Travesty

First, the Morley-Minto reforms were not an innovation: directly Indian nationalist agitation began in the 'eighties, there began the process of associating Indians who had substantial property and education with the British machinery of repression, by elections to local councils and admission to administrative office. Secondly, what prompted these particular reforms was a great national upsurge for self-government which began in 1906—one of many world-wide echoes of the Russian Revolution of 1905-6—and in the course of which there were great strikes, agrarian riots, public meetings, met by the government with press-gagging Acts, deportations without trial, police charges, arrests of schoolchildren (Dutt, *Modern India*, 1949 edition, Bombay, pp. 308-309, 452-454). "The so-called reforms proposed by Mr. Morley", wrote the *Socialist Annual* (1908), "are a bid to secure for the Government of India the support of the moneyed, the landed, the manufacturing and the merchant classes, so that with their co-operation the Indian Government [at that time this meant the British authorities in India] may still further exploit and oppress the masses".

The "really strong pressure" of Indian national feeling which transformed the "Montagu Declaration" of August 1917—promising ultimate responsible government to India, once again at a time of still mightier revolution in Russia—into the Montagu-Chelmsford report, was very different from what Mr. Strachey's readers might suppose. There had never been in India such giant strikes, demonstrations, unity between Hindus and Moslems as there were in 1918 and 1919—and never since the "Mutiny" of 1857 such a wave of Government-directed massacre by shooting, hanging and air bombing. The killing of 379 unarmed people and wounding of 1,200 others by British troops at Amritsar was only one example of the "historically unique" methods which have thrown Mr. Strachey into such a paroxysm of almost tearful admiration for "the men of my nation". Incidentally, the British general concerned got £20,000 and a House of Lords vote of thanks. The fact that the Government introduced a kind of self-government at the same time, in comparison with which the Tsar's Duma of 1907-17 was a paragon of popular representation and authority, only threw a fiercer light on the real purpose—which was to go on splitting the Indians' ranks.

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As for the liberation of India after the Second World War, the plain fact—recorded in many authoritative statements at the time—is that, faced with the 1945 mood of the British electorate and no less of the British soldiers, still strong, on one hand, and with the tremendous determination of the Indian people to be free on the other, the British Government—as Cripps admitted on its behalf on March 5th, 1947—decided that it simply "had not the power" to carry out the alternative to liberation: namely, to reinforce its troops in India and carry on intensified repression "for at least fifteen to twenty years". All Mr. Strachey's talk of voluntary dissolution is so much balderdash. What he fails to mention to his readers, however, is the great efforts made by the Attlee Government to hold on in India for two years before imposing the Mountbatten settlement—the partitioning of India and a Constitution worked out in London: or that during these years shootings, massacres and police charges went on as before.

Moreover, it must be pointed out that, under the terms of the liberation, the new Indian Government was made the custodian of British investments and other sources of tribute. Nationalisation of existing industries (formerly in the Congress programme) was abandoned: interest on loans and dividends were guaranteed: more foreign investment was cordially invited. In short, British imperialism struck a bargain with the Indian bourgeoisie, accepting its political rule in India in exchange for protection of its economic strongholds. Mr. Strachey appears to think that this was something new in world history: but in class terms (not in the size of the deal) it was no more than a blatantly Tory Government did with Ireland in 1922.

Recent Examples

Passing on, we may note that, when the French imperialists fight the Algerian people, it is "indefatigable folly" and a "hopeless and bloody rearguard action" (pp. 142-3). But when their British counterparts do the same in Kenya and Malaya —and threaten to do the same in British Guiana —Mr. Strachey finds this quite all right (pp. 256-7). He gives different reasons in each case, of course. For Kenya it was because the popular leaders, "in our judgment," could not possibly take over the colony and govern it as a "going concern". Exactly the same used to be said of the Irish, forty years ago, with as much justification—and the charges against "Mau Mau" were paralleled by those against Sinn Fein. But the real reason—that the war was waged to protect the "non-imperialist" political tyranny of a handful of whites over the Kenya African majority, and the wholesale robbery of the Africans' land—is too insignificant for Mr. Strachey to mention. Similarly he does not even breathe the words "tin" and "rubber" when he speaks of Malaya. He doesn't see "why 4,000 or 5,000 militant Chinese Communists should govern the Malay peninsula" (just as the Tories used to write, forty years ago, about the Irish "terrorists"). The fact that the organisations which the British suppressed in June 1948, before ever the war started, had a membership of many hundreds of thousands, and the fact that the few thousand "Communist terrorists" could only hold out for a few years against some 300,000 well-armed troops and police because they obviously had the support of a great mass of the population (despite the detention of 650,000 people in concentration camps), are conveniently forgotten by Mr. Strachey. Those who used to read the communiqués of Dublin Castle and the War Office in 1920-22 can well understand why.

Even more strange is the passage in this book dealing with British Guiana. He cannot complain either of "atavistic" or "arbitrary" opponents here. The People's Progressive Party was a legal party: its programme was moderate, and remote from revolutionary methods: it was elected with a huge majority under quite normal conditions: its few months of government were marked by no excesses, and the popularity of the essential reforms in labour laws, public administration, education and the country's economy which it was planning was obvious. But even the smallest improvement of the miserable conditions of the people involved encroachments on the privileges and profits of British companies and some of their hangers-on in British Guiana: and that was enough. Dr. Jagan and his colleagues were proclaimed "Communist, or pro-Communist" — a gross and brazen lie: a lying story of a "Communist plot" was put about—never to be substantiated: and on this pretext, under the threat of bayonets and bombardment, they were thrown out of office and arrested. Mr. Strachey endorses the lies and approves the repressions. But why then talk rubbish about "peaceful dissolution" of the Empire?

Quite obviously, where British imperialism was too weak to hold on to its colonies by main force — or where international complications threatened, as with Ireland in 1922, or Cyprus more recently—it has repeatedly made terms with the native bourgeoisie. But when the colony was too weak to fight—or when the usual atrocities of imperialist repression could be carried on without interference, for various reasons—why, there the colonial peoples could whistle for their inde-

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pendence. And Mr. Strachey with his pot of whitewash would always be available.

Space does not permit analysis of the extraordinary double book-keeping by which Mr. Strachey tries to justify imperialism on the financial and commercial field—mixing up terms of trade *with the world as a whole* with the question of the unequal, exploited position of the *colonies* (pp. 147-53): and profits from *overseas investments* with *receipts from trade* (p. 160). Again and again he asserts that Communists believe that only imperialist super-profits sustain the British economy (e.g. pp. 179, 195), when the Party programme and its theoreticians have for years been demonstrating the exact opposite—that the British people could be well rid of the finance-capital monopolies in whom the next Labour Government is pledged to invest public funds, of their plundering operations in the colonies, and of the military and police machinery which protects them there.

A Word in Parting

There are still two hares started by Mr. Strachey which deserve attention.

It is hardly necessary to follow up his grotesque charges against the Soviet Union—the rubbish about "Soviet imperialism" which has come straight from the American publicity chiefs. But there is one passage which is particularly revealing of how far Mr. Strachey has strayed from realities. Adopting the portentous tone of a prosecuting counsel, Mr. Strachey says, in two and a half lines of italics (a device he hasn't employed anywhere else in the book): *"Let it never be forgotten that we now know from the official figures of the Russian Government that there were still, as lately as* 1953, *no more cattle in Russia per head than in* 1916" (p. 297).

Why not? Let it be known, indeed. Let it be known too—at least it will be news to Mr. Strachey—that the 58.4 million head of cattle in Tsarist Russia in 1916 were possessed in the main by a small section of the people: that one-third of the peasants had no cattle at all, that 50 per cent of the peasantry owned less than 20 per cent of the cattle (and those underfed and of poor quality): and that the vast majority never ate meat except on rare festival days. Whereas in 1953 the peasants, organised in collective farms, owned over 80 per cent of the 56.6 million cattle, state farms over 7 per cent, workers nearly 11 per cent; as a result of which peasant families were in 1953 consuming 40 per cent more meat and fats per head and 85 per cent more milk and butter (as well as 140 per cent more eggs and 96 per cent more sugar) than in 1913.

Of course they were not satisfied in 1953 with the state of agriculture, and Khrushchov's report of September 3rd, 1953, which gave the figures that Mr. Strachey uses, dwelt on many defects which had to be put right. But Khrushchov was addressing an audience and a people who were well aware of what Mr. Strachey ignores—that there had been a Socialist revolution in Russia since 1916, and that (for all its shortcomings) Soviet economy was not being developed by a "miserably poor" people, suffering from "sheer privation".

The other point is one of ordinary good faith with the reader. Mr. Strachey purports in his book to be answering Lenin and the Communists. Lenin in his book—in addition to his precise definitions, some of which have been quoted above—stated explicitly (section VI) that he was discussing the colonial policy of modern capitalism, not even that of capitalism in its previous stages, much less that of pre-capitalist ages like those of the Roman Empire, which was founded on slavery. Arguments which ignored the fundamental difference of social and economic systems could only lead to empty generalities. Is it because such empty generalities might add one more element of confusion and muddle in the mind of his reader that Mr. Strachey begins by declaring that "the most natural way" of using the words imperialism and empire is to think of them covering the *ancient Assyrian* realms as well?

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Highlights of Nationalisation Past and Future

J. R. Campbell

IN view of the fact that nationalisation is the centre of controversy in the Labour movement and amongst the wider public, it will be useful to examine the problems of the present nationalised industries and the possibilities of further nationalisation.

It is obvious that nationalisation means different things to different people. We, Communists, have often met the charge that nationalisation has failed by saying that it is only a specific kind of nationalisation that has failed, and we are advocating a type of nationalisation that will succeed. This raises the question of what is the criterion of success.

Nationalisation in History

If we look at the question of nationalisation historically, as far as the British movement is concerned there have been three basic attitudes to state ownership—the revolutionary, the capitalist and the reformist's.

The revolutionary sects in Britain—the Social Democratic Federation, the Socialist Labour Party and the Socialist League of William Morris—preferred to state their aim as social or common ownership. They grew livid at the suggestion that their aim was nationalisation by the capitalist state. Nevertheless they had to deal with the fact that there was some nationalisation in capitalist society, and that there might be some more. The Post Office, the Government arsenals and dockyards, were owned by the state, while the "gas and water Socialism" of the municipalities expressed itself in public ownership of tramways, gas, electricity and water supply. The general attitude of the revolutionary sects was that while it was necessary to repudiate these forms of public ownership as Socialism, it was not necessary to oppose them. In the *New Socialist Catechism* (1907) by Harry Quelch and Belfort Bax, the question is asked: "Do you then oppose the nationalisation or municipalisation of any industries under existing circumstances?" [i.e. when the workers have not captured political power. J.R.C.]. The answer given is "By no means. Even under the present class state, the national or municipal ownership helps, as do also the trusts, to prepare the way for the complete socialisation of all industries." In other words it would be easier when the workers obtained political power to take over such industries and run them in a genuine socialist way.

If it were asked why the revolutionaries wanted common ownership, it was to stop the exploitation of the workers and to abolish classes. "The entire means of production thus being common property, there would no longer be a propertied class to make a profit out of interest on loans or in any other way, and the property qualification, which now divides society into two classes, being thus swept away, classes themselves would disappear" (*New Catechism of Socialism*).

Common ownership would not only stop the tribute of rent, interest and profit going to the capitalist class, but it would greatly increase wealth production by organising it in a more rational fashion. "To suppose that any mere distributive readjustment is what is meant by Socialism is to entirely misunderstand what *Socialism* really involves. *Socialism means the complete re-organisation of production as well as of distribution.* With production scientifically and socially organised, the productivity of labour would be quintupled and the amount of wealth would be increased in proportion" (*New Catechism of Socialism*).

Capitalist Nationalisation

The policy of capitalist nationalisation supported by the bourgeoisie was based on the proposition that some types of industries were natural monopolies. There could not, in general, be two tramway companies competing for custom in the same town, or competing lines of gas pipes. But because competition was inapplicable, such natural monopolies were able to charge to an undue extent for the services, and to exploit other industries or the general public. Therefore there must either be a public control of their charges or state and municipal ownership of the industries and services themselves. Hence the widespread municipalisation of such services in a period when there was no strong Labour Party and no Labour control of councils.

It was never the intention of this form of nationalisation or municipalisation to stop the appropriation of surplus value (rent, interest and profit) by the capitalist class, nor was it the intention to improve the position of the workers. If it did safeguard the workers and the middle class from the exactions of

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natural monopolies, it safeguarded the capitalist class as a whole still more. They got their gas, water and power, the transport of their workers to and from work, at comparatively low prices. For the charges of the public monopolies were based on their costs of production (including meeting their interest charges) and if any surplus were earned beyond this, it went to the relief of the rates, thus benefiting the capitalists as the biggest ratepayers.

Fabian Nationalisation

We have left the reformist conceptions of the Fabians and the Independent Labour Party to the last because they were a hotch-potch, borrowing as they did partly from the theory of Marxism but mostly from the practice of capitalist nationalisation. The type of public ownership the reformist advocated was nationalisation by the capitalist state conceived of as a democratic state. It was piecemeal nationalisation on the basis of full compensation. State bonds carrying a fixed rate of interest would be substituted for equity shares. The interest paid on the bonds would be lower than the general level of dividends on equities so there would be some surplus to improve the services to the public. While the stress of Socialist nationalisation is on the producer—i.e. on stopping the exploitation of the workers—the stress of this reformist nationalisation was on the consumer or the public, which would get a cheaper service.

If it was argued that fixed interest bonds substituted for equity shares would create a new class of parasites, the reply was that increased taxation of unearned incomes and increased death duties would take care of that. The capitalists would be gradually squeezed out (1) by more and more industry being taken over and by (2) the increased taxation of unearned incomes. The more industries that passed into the hands of the capitalist state (which was treated as the equivalent of "the people" or "community") the easier it would be to tax unearned incomes without adverse consequences on the economy. This was advocated by Herbert Morrison as late as 1934.

In all this is the notion of nationalisation as the new model of industrial organisation. The nationalised industries would give better services to the public, so that their very existence would be a criticism of the industries that remained in private ownership and therefore an incitement to the workers in those industries to demand that they be nationalised.

There can be no doubt that this conception of nationalisation as an oasis or series of oases in the capitalist desert strongly influenced the thinking of the movement. The nationalisation of 1945 was expected by the rank and file, though hardly by the leaders, to do precisely this. The premise of this policy, though seldom stated explicitly, was that the industries to be nationalised were highly profitable and that therefore compensation charges would not absorb all the profit. Allied to this was the notion that each industry could be speedily rationalised to yield still more profit.

But in the 1930s the argument shifted away from nationalisation as a means of *limiting* the appropriation of rent, interest and profit by the capitalists, to nationalisation as a means of making backward industries more efficient. The arguments for nationalisation as stated in *Let us Face the Future* (1945) were drawn from the arsenal of capitalist nationalisation. The nationalisation of key industries would (1) provide cheap services to the public and (2) cheap materials for the industries of the country. The improvement in workers' conditions was played down. Reverting to the question of the surplus (rent, interest and profit) it should be noted that the surplus which was being earned by two of the industries scheduled for nationalisation (coal and rails) was exceedingly meagre, while the municipal industries being nationalised (gas and electricity) never aimed at achieving a substantial surplus, over and above interest charges. The Fabian idea that nationalisation would provide a surplus over and above interest charges was doomed to founder on that fact.

The Derelicts

It is also necessary to remember the technical conditions of most of the nationalised industries when they were taken over. The Radcliffe Report says with regard to them:

> "We note that the main spenders of this group emerged from the war with large arrears of ordinary maintenance and the renewal of capital assets (including repair or replacement of assets damaged or destroyed by enemy action) which had accumulated not only during the war *but in some cases over a period of years before the war.*
>
> "*This would in any case have indicated a sustained programme of heavy capital spending after the war, to which had to be added, as circumstances offered, modernisation to take account of technical developments.*" (Page 29. Italics ours).

So heavy compensation was paid for industries which had to be technically re-organised from top to bottom.

Price Policy

The price policy which those industries were expected to pursue was based upon the premise that their major aim was to provide cheap materials for industry, as *Let us Face the Future* had said. The prices that they charged were to yield a revenue that would enable them to cover their expenditure (including their obligations to meet the interest on compensation stock), "taking one year with another".

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This was exceedingly vague. Did for example covering one's expenditure include making provision for a surplus that would enable a nationalised industry to finance quite a lot of its own capital development? In practice it did not. Maybe the original idea was that this did not matter very much, because Dr. Dalton's cheap money policy would ensure ample supplies of capital at low rates of interest.

Now this policy had peculiar effects in the situation of "creeping inflation", especially when price controls were lifted. The private capitalist sector of the economy was allowed to charge the highest prices it could possibly maintain. The state capitalist sector had its prices and charges held down. Thus the price of all the products used by the railways and the transport industry was going up while they were prevented for a time from increasing their own charges and fares. Is it any wonder, in view of the technically backward character of their equipment and of the price policy imposed upon them, that the trading surpluses (or net profit if you like) were exceedingly low as compared with that of private capitalist industry? The coal industry for 1949 showed a surplus of £29.4 million (before meeting interest charges). From an industry employing three-quarters of a million workers that is low from the capitalist point of view. It is worth while pointing out that in the first year of coal nationalisation there was actually a loss of £9 million. A similar situation applied to the railways.

If in these circumstances the ordinary capitalist criterion of profit is applied to the nationalised industries, the nationalised industries are failures. But at least a part cause of their failure was that, unlike private industry, they were not allowed to charge the highest prices they could get in the given circumstances.

Mr. Kelf Cohen in his current indictment of nationalisation says:

> "This brings us to the pricing policy of these industries. The prices of their production have been consistently too low in the sense that they have not adequately paid for the resources required to make these products. From the start of nationalisation, as we have seen, there has been a general assumption that public ownership connotes cheapness. Political pressure has consistently resisted increases in prices, and the public have taken the view that these statutory monopolies could absorb much of the increased costs by increased efficiency. The result of this pressure is that the Boards had to operate their concerns on the very margin of a surplus, and only a slight accident—e.g. a mild winter—can turn a surplus into a deficit."

British coal was supplied to British industry well below the world price—a fact that became visible to all when imported coal, sold at British prices, called for a subsidy of several pounds per ton.

Rentiers' Come-back

This price policy had two effects. The first is that the state industries, in supplying the private industries with goods and services below the market price, are transferring part of their surplus value to the privately owned monopolies—they are as it were subsidising them.

The second effect of this policy was that it brought the rentiers into the nationalised industries in a very big way. If the relative technical inefficiency of some of the industries, plus the price policy, did not allow for any substantial surplus to be earned, there was no alternative but to raise new capital from outside. There were two sources for this capital. Firstly there was the Budget surplus, out of which the Government lent large sums to the nationalised industries at the prevailing rate of interest; and then, particularly in the case of electricity supply, there were new loans raised from the market.

Now if we recall the arguments of the reformists they assumed that once the industry was taken over, it would not be a source of any unearned income for individual capitalist investors or for capitalist financial institutions in the future. The industry was expected, in the traditional reformist theory, to charge prices which would enable it to a large extent to finance its own development. But here is a set-up in which capitalist financial institutions are invited to come back into the industry, and earn rates of interest higher in many cases than they were able to get from the old local authorities who were interested in electricity supply. The old reformist argument was that as the nationalised industries grew the sources of unearned income would dry up. The logic of the present situation is that as the nationalised industries grow the tribute to the rentiers will grow with them. Indeed the volume of interest payable on the new loans already exceeds the interest payable on compensation stock.

The Interest Burden

The original compensation payable to the old owners in the mining industry was £388 million at £3 10s. per cent. Since then, £428 million was advanced, bearing an average interest of £4 13s. per cent.

In 1947, the first year of nationalisation, the interest was £15 million per annum. In 1951, the last year of the Labour Government, it was £14.5 million. In 1958 it was £32.1 million. The heaviest burden of interest is that on the new loans.

The total interest payments were 6.1 per cent of the wages bill (including holiday pay) in 1947 and 6.4 per cent of wages in 1948. They were 4 per cent of net sales in 1947 and 3.5 per cent of net sales in 1958.

In electricity supply the compensation stock was

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£341 million at 3 per cent. Annual compensation interest is £10·25 million. With new loans, total interest payments (in 1959) grew to £60.1 million. Compensation interest amounts to 2.2 per cent of sales, and total interest to 11.6 per cent of sales.

Compensation interest as a percentage of wages is 14.4 per cent, and as a percentage of wages and salaries it is 8.8 per cent. Total interest is 80 per cent of wages and 50 per cent of wages and salaries.

In the gas industry the original compensation stock was £189 million, and the interest on it was £5.7 million or 1.5 per cent of the sales of the industry (of gas, by-products and equipment). The total gas stock (compensation stock and new stock) is £465 million. The total interest payment is £20.5 million. So the total interest paid is 5.3 per cent of all gas industry sales, and is 23 per cent of payments to employees. Compensation interest is 6.6 per cent of payments to employees.

The railways are the nationalised industry where the annual interest paid has since 1954 been consistently higher than the trading surplus earned.

They are running a considerable annual deficit, on which they are being called upon to pay interest in the future. This will amount to £25 million per year extra on the revenue account in 1965. They are also receiving loans from the Government for capital development. The ordinary interest charges on the railways will rise from £41 million in 1958 to £85 million in 1963. In short, by 1965 the interest charges (now £42 million) will be between £110 million and £120 million. The railway modernisation plan forecasts a trading surplus of between £50 million and £100 million at the end of 1963, as a result of the present modernisation plan and of fares increases.

So when most of the modernisation plans are in operation and fares have been increased there will still be a heavy deficit on the railways. The Transport Commission has commented in the following terms:

"The Commission, as a newly constituted undertaking, started without any reserves available to take the shock of fluctuations in their financial fortunes and they have not since been allowed to build up any reserves. *If the Commission are to be put in a position to pursue consistent policies on a long-term basis, it seems essential that in due course their financial structure should receive consideration afresh.*" (*Reappraisal of the Plan for the Modernisation and Re-equipment of the British Railways, July* 1959. Italics ours).

The handicaps of the nationalised industries since they were taken over may be classified as (1) their poor physical state when taken over; (2) the compensation obligations, which were excessive, in view of the above facts; (3) the price policy they have been forced to pursue which left them no resources for modernisation; (4) the heavy borrowing of new money to permit modernisation to be developed.

The weight of these handicaps varies from industry to industry and from period to period. Up till about 1956 their main handicap was price policy. Their charges were being kept low in the interests of the privately owned industries using their services. Next was the interest payable in compensation. In the period from 1956 onward the weight of the interest burden on new loans has been steadily increasing, and will be particularly onerous on the railways in the years ahead.

Management under Nationalisation

A word about management in these industries. The attitude of the 1945 Labour Government was crystal clear. The best (from a narrow business point of view) of the old management had to be appointed as the nucleus of the new boards. They were balanced by directors from other industries, with an occasional Labour leader thrown in. So in the vast majority of cases they were of the same social strata as those who managed private capitalist industry, and possessed roughly the same social and industrial outlook.

In his book *Power at the Top* Mr. Clive Jenkins gives the background of members of the boards of the principal nationalised industries as follows:

Total of members	272
Company directors	106
Regular Army officers	5
Central or local government officers	15
Labour, Co-op and T.U. representatives	47
Technical or professional managers	71
Landowners or farmers	9
Universities, voluntary organisations	19

The Tories have developed this further by increasing the number of part-time directors of the nationalised industries, i.e. of men who in the main are active directors of ordinary capitalist concerns. A wealth of data in relation to this is to be found in Mr. Clive Jenkins' book.

These men are not likely to regard themselves as pioneers of a new type of industrial organisation. Except on the issue of price policy, where they are apt to represent the point of view of the customers of the nationalised industries, they are people with the everyday bias of capitalist managements. In addition, the Tories have been increasingly promoting to the nationalised boards safe managerial people from within the industries themselves.

In a memorandum sent to the Prime Minister by the General Council of the Trades Union Congress on April 1959, it was stated:

> "Between December 1951 and December 1958 the number of members with trade union experience serving as full-time members of these boards

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fell from 16 to 6, while the number of those serving in a part-time capacity fell from 28 to 20.

"The most significant changes were the reductions in the number of trade unionists serving full-time on the national transport and electricity boards and on the area electricity and gas boards and serving part-time in the electricity and gas boards.

"If the board members are classified by their previous occupation, trade unionists are the only important category in which there has been a marked fall among both full-time and part-time members."

So on the whole one can say that the managerial apparatus of the nationalised industries is more or less integrated with the managerial apparatus of monopoly capitalism. This means that the industries are managed to fit in with the general policy of monopoly capitalism. It does not necessarily mean that the industries are being inefficiently managed from a capitalist productive efficiency point of view.

The Criterion of Efficiency

Under the Tory Government there have been two committees of enquiry into nationalised industries. There was the Fleck Committee, whose Chairman, Sir Alexander Fleck, was a high official of the Imperial Chemical Industries Ltd. This was appointed on the basis that the coal industry was being infested with hoards of useless officials. The Fleck Committee, taking the administration techniques of private capitalist industry as its criterion, found that there were too few officials and did not disclose any serious administrative difficulties. The Herbert Committee on Electricity Supply could find no obvious inefficiency, but recommended a separation of the business of generating electricity from the business of distributing it. It had to admit that the nationalised industry in the early years of its functioning had been hampered by the fact that the privately owned electrical engineering industry had not been able to supply the industry with the largest and most economical types of generators.

If we take productivity, the record of the nationalised industries compares favourably with those of privately owned industries. The most successful has been the electricity supply industry. Thermal efficiency measures the amount of electricity generated for a given amount of fuel. It was 20.91 per cent in the first year of the nationalised industry in 1948, and 26.10 per cent in 1959.

This has meant a saving of no less than £195 million in the period from 1948 to 1959.

Between 1948 and 1959 the output of electricity per person employed on generation increased by 80 per cent. At the same time distribution costs are falling. They were .105 of a penny in 1951-52 and .094 of a penny in 1958-59. This industry is outstanding in that it meets no less than 47 per cent of the cost of its capital development out of its own revenue.

The coal industry shows a good increase in overall productivity, rising from 1.074 tons per man shift in 1947 to 1.265 tons today—an increase of 20 per cent. In respect of faceworkers, the increase is even more striking. The rise is from 2.856 tons per man-shift in 1947, to 3.519 today, an increase of 23 per cent.

In the railways, where post-war capital development started much later than in the other nationalised industries, the increase in productivity is around 20 per cent.

The National Gas Board has been steadily reducing the amount of coal used to manufacture a given quantity of gas. At 1958 prices this has meant a saving of £14.5 million per year.

It can therefore be said that capitalist nationalisation has, on the whole, served the capitalists well. A group of basic industries which (with the exception of electricity supply) were a drag on the rest of the capitalist system, are in the process of being rendered more efficient and are to some extent subsidising private capitalist industry.

Electricity supply was in comparatively good shape when it was taken over, and has rendered excellent service to capitalist industries. Its prices are a little over 40 per cent above pre-war. This compares with a 172 per cent in general retail prices, 182 per cent for food, 224 per cent for drink and tobacco, and 179 per cent for durable consumers' goods.

The Workers' Conditions

When we turn to how the workers in the nationalised industries have fared, our answer must be a mixed one. It should be remembered that the public utility industries (transport, electricity, gas) stood fairly high in the wages table before the war, because they were sheltered to some extent from the depression on the world market and the workers in them were fairly strongly organised. In 1938 for example, average male earnings in transport (minus railways and London Transport) were slightly above the male national average. The average earnings of a male transport worker (as above defined) were 70s. per week, as compared with a national average of 69s. If it is taken on a basis of *all* workers, the transport wage was 65s. 6d. as compared with a national average of 53s. In 1948 male workers' earnings were 92s. 2d. as compared with a national average of 99s. 5d. The male worker had come down the scale. On the other hand, the earnings of all workers in transport were 84s. 4d. as compared with a national average of 75s. 10d. The same phenomenon was apparent in April 1959. Average male transport earnings were 256s. 5d., while all average male earnings were 262s. 11d. On the

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other hand, owing to the equal pay for some categories of work, women's earnings at 185s. 5d. were markedly above the women's national average and *all* workers in transport were earning 246s. 11d. as compared with a national average of 222s. So in this industry the males have slightly come down the wages table, and the women (replacing men in certain jobs) have gone up.

In the public utility services in 1938 average male earnings were 63s. per week, while the national average was 69s.—a gap of 6s. In 1948 they were 116s. 8d. as compared with a national average of 134s. In April 1959 they were 246s. 3d. for male workers as compared with a national average of 262s. 11d. These workers occupy the same position on the wages table as before the war. There may be some improvement as far as fringe benefits are concerned, but it is not great.

There is, however, one industry, mining, where the question of whether there is an improvement in the conditions of the workers under nationalisation is not in any doubt.

Average earnings of all workers per man shift in 1938 were 11s. 8½d. including allowances in kind. On the same basis in 1958 they were 62s. 5d. per shift. We are not suggesting that this is sufficient. In view of the hazardous character of the work, it is not. But it does mark an advance from the bottom of the wages table to the top. No wonder Mr. Kelf Cohen's standard work denouncing nationalisation says:

> "The miner has been able by continuous pressure to force from the Coal Board more and more concessions to enable him to keep up his position as the best paid worker in British industry.
>
> "We tend to forget that in this country we still, on the whole, find sufficient men to work the coal mines, whereas in many countries, coal mining is left to immigrants from poorer countries."

It can, of course, be argued that in every country, whether the coal industry is privately owned or nationalised, the miners were able, because their labour was at a premium, to improve their conditions considerably. When we remember, however, the enormous disparity between the productivity and earning capacity of the various coalfields in Britain, this result could not easily have been achieved against the resistance of the marginal coalfields who left to themselves simply could not have paid the wages which the miners succeeded in achieving under nationalisation, without having to charge prices for their coal far beyond those charged elsewhere in the world. Some sort of unification of the industry, in which the more profitable coalfields supported the less profitable, would have been necessary. In addition some kind of development policy for the industry was essential. Add these two desirable things and it is clear that nationalisation was the only way to achieve them.

Effect on the Economy

What is the relation of the nationalised industries to the rest of the economy? There can be no doubt that one of the factors influencing the development of the capitalist economy of Britain has been the necessity, in the interests of the system as a whole, for maintaining a high level of investment in the nationalised industries. For a decade a group of industries which are heavy capital users have been modernising on a scale and at a pace far exceeding that of the pre-war period. This has been a factor in keeping a high level of employment in Britain in the post-war period.

The Tory Government used these industries as a stabiliser. In the autumn of 1957, when they wanted to lower the level of demand, they put the brake on their capital expenditure. In the summer of 1958, when they wanted to increase demand, they lifted those restrictions. In fact, in the months before the election the Conservatives committed themselves to three contradictory propositions, namely (i) the nationalised industries are failures; (ii) they must be developed on a large scale and the government will continue to pour large masses of capital into them; and (iii) they can be used to stabilise the economy. In one of his speeches on the 1958 Budget, Mr. Heathcoat Amory said that the nationalised industries could be fairly easily stimulated, when it was necessary to give a push to the expansion of the economy as a whole. (In fact the reaction of those industries to the government-applied stimulus was a lot slower than the Tory or Labour theorists had predicted.) But this role of stabiliser has unfavourable consequences for the industries themselves, which are held back at one moment and accelerated the next. It is therefore difficult to steadily pursue capital development plans and avoid waste of resources. This will duly be reflected in the industries' balance sheets, and they will be accused of inefficiency and get any discredit that is going. (On the other hand, the government gets any credit that arises from the improved equipment of these industries and the general stimulus to the economy.)

What are the Lessons?

We can now, I think, sum up the position by answering a number of questions.

Firstly, nationalisation has obviously not come up to the expectations which were widespread in the movement as a result of two generations of reformist propaganda. The expectations of Communists and the advanced workers were not in question. The revolutionary policy of common ownership secured by nationalisation, without compensation, or with token compensation, was not on the agenda. The expectations of the rank and file,

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engendered by reformist propaganda, that nationalisation would enable the state to lay hands on a surplus or some part of a surplus, and use it to improve the conditions of the workers or to sharply reduce prices, could only have been fulfilled on the basis of a vastly different policy than that which the reformists actually pursued. As far as the newly nationalised industries are concerned (coal, railways, and passenger and road transport) there was very little surplus to begin with, and if any compensation was paid, anything left over was bound to be minimal. Given Labour Party policy there was no chance of these industries being developed as a new model likely to inspire the workers in the better paid industries. The same would apply to other lame-dog industries in the future, even if the compensation paid was on a more economic basis.

With regard to price questions, all that the public really knows is that prices in nationalised industries had gone up. The general situation of inflation, affecting all industries, is only apparent to the economically sophisticated. So the consumer can only say at best "they are the same as all the rest".

Indeed, as a result of press propaganda, he or she has probably an exaggerated idea as to how far prices in publicly owned industries have increased in comparison to prices in privately owned. No real effort has been made by the Labour Party to get the average man to grasp the fact that if rails and coal had remained under private ownership, the price increases would have been much higher.

When we come to the technical state of the industries, we must note a very considerable improvement, though the rate of progress varies quite a lot. In the forefront is electricity supply, doubling its production every ten years, with results plain for everyone to see. In the middle is coal, where some of the advantages of technical improvement are becoming clear, but where the main impact is still to come. At the other end are railways, where there has been a late start and only the first results are visible. It is safe to say that no such developments would have been possible under private ownership.

However, past and present technical improvements raise problems, for increased rationalisation threatens redundancy. In electricity supply the peaceful use of atomic energy has still to come on a large scale. In coal there is the development of new fuels to attract the industries and the domestic consumer against oils, and there are manifold possibilities connected with the use of coal as a chemical raw material. In railways there is a new world to be conquered in relation to the swift and efficient handling of goods, a sphere in which there are still primitive survivals.

All this, however, adds up to increased rationalisation and redundancy. But here the nationalised industries have concentrated too much on redundancy payments (where their provision, although grossly insufficient, is superior to that of most private industries), and too little on the question of preventing redundancy. For this government policy has the major responsibility. It used to be argued that the nationalised industries had an advantage because they could treat the industry as a whole, could foresee the consequences of the developments being undertaken, and could make a rational use of their labour force, so that new labour was not taken on in one area while redundancy was raging in the next. But such a policy is frustrated by the government's refusal to have a national transport policy and a national fuel policy. The government wants a dog fight between rail and road, and between oil and coal, and the workers are expected to adapt themselves to the outcome of such a conflict. All this makes the rational operation of the industry difficult.

What to Do?

What should be our attitude to these industries in the present political set-up?

(1) We should make it clear that industries run on public utility lines—gas, electricity, and local transport—were traditionally run on a cost of production basis (including interest charges) and that their prices were fixed on that basis. This meant that (i) part of the surplus value of these industries was transferred in the form of lower charges to private industries; and (ii) therefore the failure of these industries to make a large profit (before meeting interest charges) is neither a proof of their inefficiency nor does it prove that nationalisation is a "failure" in the sense understood by the Tory Party.

(2) Make it clear that two of the most important industries nationalised (rail and coal) were crisis industries incapable of undertaking development from their resources when nationalised. That the public utility principle applied in their pricing policy prevented (at least mining) from acquiring resources to finance some of their own re-equipment. These industries are now being impeded in their further development by the refusal of the government to develop a co-ordinated policy for transport and a national fuel policy.

(3) It is time to reduce the burden of interest on the nationalised industries, which were in a state of crisis when taken over. The National Union of Railwaymen are advocating this policy for the railways. What amounts to a new railway system is being created in place of the old. Yet it is carrying a burden of compensation interest on account of the semi-derelict industry which was nationalised. Private capitalist enterprises in such a condition have sometimes been forced to write down their capital. So compensation interest and repayment of compensation capital should be transferred to the national debt, and lower interest rates should operate

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on future capital development. This policy should be operated on both railways and mines as part of a national transport and national fuel policy.

(4) The prices charged by the nationalised industries to private enterprise should be reviewed. The absence of a national policy in transport and fuel, and the competition between road and rail and oil and coal, put limits in the way of increased charges. There could, however, be a selective increase in the prices charged to certain industries. There is a case for looking at electricity charges as a whole. The price of electricity has risen much less than the price of most other commodities and services, and there is good reason to believe that the monopoly capitalists in Britain are getting it at prices below those reigning in Western Europe. If this is found to be the case, the prices should be revised. The industry should be allowed to fix its charges to private industry at a level that will enable it to finance more of its own development without recourse directly or indirectly to the City.

(5) The practice of joint consultation should be revised from top to bottom. The workers must be given a real voice in the elaboration of the industries' policy, and not presented with cut-and-dried schemes on a "take it or leave it" basis.

It goes without saying that the analysis of the present nationalised industries, organised as they are on public utility principles, cannot be applied to the large private monopoly industries, which are not technically backward, which fix their prices in accordance with what they think "the market can bear", and where big surpluses are the rule. It is those industries which are strategically situated to be able to extract the maximum of rent, interest and profit from the workers and the people generally, which must be nationalised if real inroads are to be made into the monopoly capitalist structure. The extent of exploitation in those industries has to be exposed. The gross profits of the non-nationalised companies (excluding insurance, banking and finance) have risen from £2,174 million in 1948 to £3,705 million in 1957. The gross profits in companies in insurance, banking and finance grew from £274 million in 1948 to £635 million in 1958. In the nationalised industries the surplus (before meeting interest) grew from £177 million in 1948 to £405 million in 1958.

Here we come up against a paradox. We say that the private monopolists prey on the nationalised industries and yet the monopolists are opposing further nationalisation. There is, however, no contradiction. State capitalist nationalisation presupposes that a minority of industries are preyed upon by the private monopolies. If, however, nationalisation were extended to all the commanding heights of the economy, that would be a completely different set-up. That is why the steel industry and the monopolists generally opposed the further extension of nationalisation in any direction.

So we have the job of explaining to the Labour movement why nationalisation of the existing type, applied particularly to crisis industries in the manner that it was by the Labour Government, could not fulfil the expectations of the workers, and that such positive results as it has achieved have mainly benefited the capitalists. Yet it is precisely those who are responsible for this type of nationalisation who join the chorus that nationalisation is a failure and should be abandoned. Yet the technical results obtained by nationalisation show that, if applied to industries in relatively good state, and if private industries which were allowed to exist were not permitted to prey on the nationalised industries, impressive results could be attained. Naturally the full benefits of socialist nationalisation could only be obtained through the capture of political power by the workers, but to get to that objective, the movement must carry out a powerful exposure of the monopolies and demand their nationalisation.

If the movement does not advance against the monopolies, the monopolies will advance against the movement and against the British people. Once it is realised that is where the policy of the right wing is leading, the defeat of this policy will be certain.

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The Welfare State

John Bright

WHEN the British people went to the polls in October 1959, they found that both the major parties were in agreement that the basic economic problems had been solved. To the Tory cry of "You've never had it so good", the only dissension by the Labour leaders was to draw attention to the position of the old-age pensioners and to workers in the areas of heavy unemployment. As far as the vast majority of the British workers were concerned, there was no complaint, and no better future was offered than that held out by the Tories.

The bankruptcy on the part of the Labour Party leaders arose because for many years now they have covered up the true problems of capitalism, and have systematically fought against the ideas of a socialist alternative.

The pretence of a capitalism without basic problems has been given the title of the Welfare State. In this state, it is alleged, there is a policy evolved (over and above all classes and political parties) in which the main priorities are the avoidance of economic crises, the creation of social welfare and the equalising of incomes.

The concept of the welfare state is put forward to weaken the will of the working class to fight for socialism, and to teach them that militant struggle against capitalism is futile and out of date.

It is therefore necessary for us to explain just how far the economy of the country has changed in the post-war period and how much the economic policy of the state is concerned with combating crises, increasing welfare and ending inequality.

The State and Economic Crises

The idea of the state combating economic crises makes two sweeping assumptions. The first, that it is possible to avoid capitalist crises with their accompanying stagnation and unemployment; and the second, that this task is seen as a priority by those running the economy.

In fact, the capitalist world has endured several economic cycles since the end of the Second World War, and Britain has become more involved in these cyclical movements as the immediate impetus of post-war reconstruction died down. In the upward movements of these cycles, the increase in production has been successively smaller. In the downward movements, the depression has been increasingly greater, and on the last such occasion, a year ago, unemployment reached a post-war record of over 600,000.

At the time of the recent recession, the economic policies put forward were not intended to ease the internal situation. The policies were concerned primarily with the establishment of sterling as an international currency for banking and investment. In fact, the internal recession provided a favourable opportunity for the government to take measures tantamount to the convertibility of sterling.

The policy on this and many other occasions has been that the first priority is the strength of the £. The basing of economic policy on the external exchange value of the £ means that from time to time it is necessary actually to worsen the internal economic conditions.

The Labour leaders also advocate a policy of the strong £, and their talk of the necessity of maintaining full employment becomes purely lip service, because in practice they support deflationary policies.

It is clear that the first principle of the "Welfare State", the operation of a full employment policy, does not exist in practice.

Social Security

What of the second principle, that of social security? The actual benefits received have been exaggerated out of all magnitude, while the fact that the workers are paying for them has been passed over.

Social services are not a half-way house to socialism. Measures to assist the economic victims of society were adopted nearly 400 years ago, when the growth of the dispossessed peasantry presented such a problem. Welfare legislation has existed since then, though it was reduced to a minimum in the *laisser-faire* period of capitalism in the last century, after the passing of the 1834 Poor Law.

Modern welfare legislation began at the beginning of the present century. It is significant that it started at that time, the age of imperialism and the birth of the modern Labour movement.

Imperialism required the collusion of a wider section of the population in order to support the colonisation of overseas territories and their defence from the people colonised, and from imperialist rivals. At the same time it was expedient to make

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some gesture in the face of the development of the Labour movement.

Lloyd George was responsible for the first legislation, but the principles of his Acts were borrowed largely from the earlier legislation of Bismarck. The 1911 Health Act laid the basis for all subsequent legislation. It ensured that the workers paid for their benefits out of their own contributions, and the finances were insulated from those of the state. It also set up the "panel" system of medical benefit for insured workers and set its face against a state medical service.

The changes over the following thirty-five years consisted almost entirely of alterations in the scale of benefits and contributions. The insured population was extended to all wage earners, finally including agricultural workers in 1936.

Old-age pensions were originally 5s. a week, subject to a means test, but after a number of stages were finally given to all contributors of sixty-five (women of sixty), and after the First World War were raised to 10s.

Unemployment insurance commenced in 1911 with benefits of 7s. a week, but confined to a very small section of workers. It was extended in stages to all wage earners, and benefit rates were raised to 20s. in 1940.

Health insurance was originally 10s. a week, with 5s. a week for disabled workers. They were slightly increased, reaching 18s. and 10s. respectively, in 1941.

The social services coming under the province of the state were confined to these schemes. Apart from the insured workers getting medical attention as "panel" patients, there were no medical services within the national schemes.

The extension of the health service has been the main change in the legislation following the Second World War. The changes were introduced in the Health Act of 1946.

The Health Act of 1946 arose from the work of the Beveridge Committee which was set up during the war in 1942. The committee was in fact initiated primarily on the question of unemployment, since it was necessary to offer the working class something better than the conditions of the inter-war period.

The Beveridge Reports

From the Beveridge Committee emerged two reports, one on National Insurance and the other on Full Employment. It is interesting to note that the proposals of the Beveridge Committee, by no means revolutionary, were watered down by the Churchill Coalition Government, and these modifications were maintained, by and large, in the legislation introduced by the Labour Government.

All the principles of the Lloyd George Acts were retained. The scheme was put on an actuarial basis, with contributions from workers and employers, the latter reimbursing themselves from prices. The control of the health service remained mainly in private hands and, above all, the power of the insurance companies was left intact.

The main changes in fact were the extension of medical benefit from insured workers to the whole population, and free hospital services, and initially free dental and similar treatment.

Under the new National Insurance scheme, contributions became sizable amounts, starting off at 4s. 11d. per week in July 1948 and now standing at 9s. 11d.—about 4 per cent of average gross earnings. National Insurance benefits have not increased at the same rate, and the standard benefit of 50s. a week leaves the pensioner or unemployed worker no better off than he was before the present scheme was introduced.

Another feature which is ignored by the apologists of the "Welfare State" is that since the peak point of 1948, when the present services were introduced, there has been no development of the social services, but a steady process of whittling down benefits and destroying them.

The first direct cuts came not in the health service itself but in food subsidies. At the end of the war, food subsidies were an integral part of the welfare services. They were attacked by the Labour Government in 1949, and from then onwards they were cut down till they were virtually abolished by the Tories in 1954.

In 1951, Chancellor of the Exchequer Gaitskell made the first attacks on the health scheme, introducing charges for spectacles, dental treatment etc. These charges were further extended by the Tories, who also introduced the prescription fee. Prescription fees were extended still further in 1956.

Pension benefits had been allowed to lag behind in real value in the steady inflationary situation. Also, by the offer of a slightly more reasonable pension to workers opting to continue to work to seventy, the retirement age has been effectively pushed up a further five years.

Capital investment in the social services has also been held back and in the ten years following the war not a single new general hospital had been built. Since there had already existed a chronic shortage of places, the situation is once again one where the wealthy get hospital attention by paying for private treatment, while the mass of the people have to wait indefinitely for the treatment which is theoretically freely available for them.

The only improvements that can be recorded in social benefits are in family allowances, which have been raised from 5s. to 8s. and then to 10s. for third and successive children. These gains were, however,

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swallowed up by the raising in prices of school meals and the ending of welfare foodstuffs.

Social Services and National Income

How little social services developed since the operation of the 1946 Act is revealed by the national income statistics. These showed that between 1948 and 1957 the increase in National Insurance benefits of £368 million a year was almost paid for by the increased revenue from contributions of £322 million. Expenditure by the government on health services rose by £405 million a year, but in the same period agricultural and food subsidies fell by £163 million. In 1948 these subsidies amounted to £457 million, mostly food, and in 1957 had fallen to £294 million, mostly agriculture. The cut in food subsidies almost paid for the health services.

However, all expenditure on health services cannot be considered as a benefit to the people, as a great deal of the money has been dropped into the laps of the pharmaceutical monopolies and other providers of the equipment for public health.

In the light of the considerable increase which has taken place in production and national income since 1948, the performance of the social services is even more pitiful. National income rose by £8,000 million in the decade but, as we have seen, the total increase in government expenditure on health and social insurance was negligible.

The development of the social services, limited as it is, remains the only positive aspect of the "Welfare State". The other claim, the introduction of greater equality, is completely unsupported by any fact.

Comparing the development of various types of income in the decade following 1948, we find that the shares going to wages and profits have remained fairly constant. The position for manufacturing industries is given by the government as follows:—

	1948	1957
	(£ million)	
Wages	1,758	3,439
Salaries	564	1,245
Profits	1,178	2,208

In spite of the vast increase in the number of wage earners, their total income (in money terms) fell from slightly over 50 per cent to slightly under 50 per cent of the total. Profits have maintained their share of income, but in addition the salary figure probably includes a considerable amount of hidden profit. These figures leave out entirely, of course, the value to those making profits of capital appreciation, tax dodging, expense accounts etc.

The above figures are gross earnings. Can it be argued that although there has been no equalising of gross incomes, government financial policy has favoured the workers against other income groups? There are no grounds for this belief. The policy of the government has been to reduce the size of the Budget, particularly the part devoted to non-military outlets. In 1948, expenditure by the government on such outlets amounted to £2,800 million out of a national income of £9,500 million, or nearly 30 per cent. In 1957 it amounted to £4,000 million out of a national income of £17,600 million, or less than 23 per cent.

On the revenue side, the total of surtax, profits and excess profits taxes rose by only £21 million, in spite of the huge growth in profits in this period, while finance raised from death duties actually fell. The main changes however, were in income tax, which rose by nearly £1,000 million, and duties on beer, tobacco and articles subject to purchase tax, which rose by almost £300 million.

It would be hard to argue that income tax, and impossible to argue that the indirect taxes, are methods of bringing about a greater equality of incomes.

We can see that two of the claims of the "Welfare State", policy against economic crises, and the equalising of incomes, are complete shams. The remaining claim—the increase of social welfare, is a gross exaggeration of what has in fact happened.

The Basis of Higher Living Standards

To deny the claims of the "Welfare State" is not to deny that a large part of the working class is able to maintain a higher standard of living than before the war. Because of the readiness of the British working class to fight for higher wages, they have been able to win some benefit, though only partial, from the 50 per cent increase in production which has taken place since the war.

Secondly, a large element in the higher real wages has been the increased hours, which have only recently commenced to decline, and still exceed forty-six hours per week.

Thirdly, the absence of mass unemployment has considerably affected the expectation of earnings of the average worker, who was unemployed for three weeks per year up to the outbreak of the Second World War.

Fourthly, and possibly the main element in higher living standards, is the employment of married women in industry, which outside the textile industry, hardly existed before the war. The existence of two wage earners per family is now the practice in a large percentage of working class families.

But these gains that have been made are clearly extremely vulnerable to the political and economic pressure of the ruling class. There is nothing gained which is outside this struggle, and which the workers can take for granted.

It is important for the workers to realise this, and not to be lulled into inactivity by such concepts as

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the "Welfare State" which pretend that the standards of the working class are sacrosanct, and that the further intervention and struggle by the workers is superfluous.

The only true kind of welfare state is a socialist state, in which the working class, by virtue of its control over the means of production, and by its political state power, is able to solve for all times the economic crises, improve social services, and raise the living standards of the people.

Nevertheless, in the immediate future, the working class has immediate battles to face for greater welfare, even under capitalism.

Improved medical services, higher pensions and unemployment benefits should be important demands of the Labour movement. The winning of these is of direct assistance to the fight for higher wages, and he mitigation of economic crises.

Even in a capitalist Britain, it is in the interests of the working class to fight for state responsibility for insurance and social services. The alternative, in which the better off workers finance their own welfare requirements, and in which a number of sections are provided with social services under the control of the big monopoly companies, will result in a large part of the working class being neglected. There is also the factor, that company welfare services become a weapon in the hands of the employers to curb the militancy of the workers.

The Communist Party must therefore expose the myth of the "Welfare State". This is not to deny or belittle the achievements of the working class, but rather to step up the fight for social services. A programme of all-round improvements in the state welfare services must be seen as an important step on the British road to socialism.

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The Basis of Marxism

John Lewis

The Origins of Marxist Thought, by Auguste Cornu. (Basil Blackwell, Oxford, 27s. 6d.)
Economic and Philosophic Manuscripts of 1844, by Karl Marx. (Lawrence & Wishart, 3s. 6d.)

A SOCIETY cannot maintain its social cohesion unless a decisive majority of its members hold in common a number of guiding ideas and ideals. A movement for social change also needs its guiding and inspiring ideas. Hence the importance of what is loosely known as "ideology".

In the Soviet Union and the other socialist democracies such guiding ideas are widely disseminated and both maintain social cohesion and direct further advance. There the problem is to keep ideas fresh and up-to-date, to re-phrase them and use them in the interpretation of ever new events. In this country we have the ideological chaos which characterises an epoch in dissolution, with new and ever more absurd creeds vamped up to defend the *status quo*, where such venerable relics as the Scholastic philosophy, ludicrously out of harmony with the scientific understanding of the world, inadequately buttress the existing order.

In such circumstances the forces making for renaissance need more than astute strategical and tactical leadership, more than immediate political programmes, more than the rough map of socialist transition as the Marxist sees it. "Without a vision the people perish." Behind plans and programmes, tactics and strategy, there must be a theory that is more than a theory, a theory that is a philosophy of history and an ethic.

If anyone thinks that this is egg-head nonsense they might be invited to consider for a moment the genesis of Marxism, the spiritual gestation and labour which produced the most potent ideology in all history. They may do so for the absurdly low price of 3s. 6d. by reading the *Economic and Philosophic Manuscripts of* 1844, but those who take their Marxism seriously would be well advised to read this against the background of Cornu's extraordinarily brilliant and succinct study of *The Origins of Marxism Thought*.

Cornu's *Origins* is one of the very few books which successfully interpret the history of philosophy in terms of social development. This has been done badly by other writers, who have treated the relationship of ideology to society too mechanically, but Cornu has a thorough and exact knowledge of his philosophers, and in his hands this Marxist treatment is illuminating. I know no other philosophical work which explains the successive contributions of Rationalism, Rousseau, Kant, Goethe, Fichte and Schelling so convincingly. To see the exact role which their philosophies played against the background of events, and as expressing the varying needs of the rising bourgeoisie, is to throw an entirely new light on philosophy and to lift it on to a new level. The older academic treatment as no more than the successive answers to certain eternal and basic metaphysical problems, can never again satisfy.

Naturally it will be Cornu's exposition of Hegel which will arouse special interest among students of philosophy. There is no more difficult philosopher to understand or to explain. The first attempt by an English philosopher, Hutchinson Sterling, was entitled *The Secret of Hegel*, and one critic remarked when reviewing it that the secret had been well kept! Cornu does reveal the secret of Hegel, and in doing so makes clear his real achievements:

(1) His notion of the mutual interdependence and interaction of mind and matter, of man and the external world, which led to the abandonment of the metaphysical world view that regarded ideas, facts and things independently and not in their mutual inter-relations.

(2) The notion that the essential reality is living reality, which can only be understood when it is considered in its alteration, its transformation, its becoming.

(3) The thought that the basic principle of the world, considered in its development, is not identity, but contradiction, which causes the constant transformation of beings and things, and thereby creates life.

The criticism of Hegel—which must never be allowed to obscure his lasting contribution to Marxist thought, which would have been impossible without it—emerges in his account of the Left Hegelians, especially Feuerbach and Marx.

But Cornu shows that much light is thrown on Hegel's inadequacy by the concrete examination of contemporary economic and social life by Engels, whose crucial contribution to the debate is printed in the *Economic and Philosophic Manuscripts*. It was by showing the contradictory forces as actually present in the economic structure that the

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Hegelian notion of contradictions being *primarily in the idea* and only reflected in society, was demolished.

Feuerbach and Marx were thus able to show that contradictory ideas reflect the actual conflicts of history, that the idea is not the *source* of the world and of world transformation. But Cornu also stresses how important it is for Marxism to show that the idea derived from the concrete world reacts back on the world that produced it to carry forward the development of the material basis.

In one hundred pages Cornu condenses the philosophical tradition and background of Marxism and its culmination and transformation into the Marxist science of society. This is indispensable reading for every Marxist theoretician. The few pages devoted by Cornu to the *Manuscripts of* 1844 form an admirable introduction and key to this volume now at last appearing for the first time in English. Here is the actual seed-bed of the whole of Marx's subsequent thought, economic, philosophical and ethical. It is a work of outstanding importance, and our gratitude for its appearance must not prevent the expression of regret for the fact that it is only now available for English readers.

We will pass rapidly over the sections on economics, on rent, on Adam Smith and Ricardo, and on private property. Here are the beginnings of the economic analysis of capitalism, to be developed and more accurately formulated in *Wage Labour and Capital* and *Value, Price and Profit*, and many other pamphlets and books. Of greater importance are the *Critique of the Hegelian Dialectic* and the sections on estranged labour and alienation, on *Communism as Socialism Coinciding with Humaneness*, and on *The Power of Money in Bourgeois Society*.

There are, admittedly, philosophical aspects of these essays which reflect the errors of Hegel, from which Marx had not entirely emancipated himself in 1844. Thus Marx proclaims as the final goal of human emancipation the realisation of humanism by the abolition of the present social and economic system, which is regarded as irrational and immoral; but on the other hand this goal is not to be attained by the mere desire and will of man; it can only determine the evolution of society if society already shows the conditions for, and contains the elements of, its own transformation; and these Marx proceeds to investigate in a most concrete fashion.

In Marx's theory of *alienation* we have the ethic, the importance of which has been too often obscured by the emphasis which has been laid on economic analysis and political strategy. What *drove* Marx and Engels, the motive force behind their whole philosophy, was their conception of man under capitalism as stripped of his humanity and turned into a thing, a commodity. Marx's theory of the dehumanisation of man is more than ever justified in precisely the advanced capitalist societies like Great Britain and America. This understanding of the necessary effect of capitalism on human nature and human relations is, of course, very closely bound up with and dependent upon the whole economic and historical interpretation of capitalism, but it remains a striking, compelling aspect of capitalist inhumanity.

Secondly, Marx shows that capitalist ethics demand that the worker shall deny himself, stint his life, sacrifice his basic needs in order that by forced saving capital may be accumulated. "All passions and all activity must therefore be submerged in avarice." This theme is further developed in the section on *The Power of Money*, with its highly relevant quotation from Shakespeare's *Timon of Athens*—

> "Gold? Yellow, glittering, precious gold? No, Gods,
> I am no idle votarist! Thus much of this will make black white, foul fair,
> Wrong right, base noble, old young, coward valiant."

Thirdly, he shows how the socialisation of the means of production brings into existence a rational and human co-operative relationship in the field of industry, "the genuine resolution of the conflict between man and nature and between man and man, between freedom and necessity . . . the positive transcendence of all estrangement—that is to say, the return of man to his *human*, i.e. *social* mode of existence". Marx is careful to emphasise that socialism does *not* signify the subordination of the individual to the state. "What is to be avoided above all is the re-establishing of 'society' as an abstraction *vis-à-vis* the individual. The individual *is the social being*. His life, even if it may not appear in the direct form of a communal life carried out together with others, is therefore an expression and confirmation of social life."

Marxism would gain immensely if it could be restated as a complete philosophy of life for the modern world, laying the theoretical basis for, and providing the real interpretation of the mighty movements of our day, and at the same time advancing its philosophy as the culmination and fulfilment of the whole European tradition. But to this it must add, what I feel has not been sufficiently brought out in some Marxist teaching, a clear restatement of the ethical humanism of Marxism and its moral ideal.

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Reply to Discussion

On the artist and politics

Arnold Kettle

I SHOULD like to comment on two points which have recurred in this interesting discussion and which include perhaps the key problems in a difficult subject.

(i) The Question of the "Special" Quality of the Artist

I think Robbie Wilson and Ruscoe Clarke were quite right in emphasising that the problem here —and it's a real one all right—is not simply one peculiar to the artist but the underlying eternal (though also changing) question of the relation of the one to the many, the individual to society. We are all special. Each one of us is unique, clearly recognisable as himself and no one else, each making his own personal unique contribution to social life. And at the same time we are all alike, all recognisable as members of the same species, all compact of the common experience of the human race through the ages, members of a nation and a class, each dependent on the rest.

To which do we give the greater emphasis—the alikeness or the unlikeness, the community or the individual? The only answer—the dialectical one —is to reply, to both. It is through the social life of the community that the individual develops his unique powers; and the community consists of individuals. You cannot conceive the whole (society) save in terms of the parts, or the parts (the individuals) save in their relation to the whole.

And yet, at the same time, because the individual cannot exist and is indeed unthinkable except as a member of society, whereas society is not dependent on the survival of particular individuals, in a very essential sense the community has to be seen as more fundamental than, prior to, the individual. Not to say this is equivalent, I think, to omitting the materialism from dialectical materialism.

Class society—and capitalism in particular—destroys the essential unity of the social organism, replacing co-operation by competition. Under capitalism, as John Donne put it three hundred and fifty years ago—

> Every man alone thinks he hath got
> To be a Phoenix, and that then can be
> None of that kind, of which he is, but he.

To see the individual as not only unique but unbounded by society is the greatest, the most desperate, of the bourgeois illusions. And we are all, after centuries of class society, more deeply affected by that illusion than we can ever realise save by the most continuous and vigorous conscious effort. I am sure this is at the bottom of our tendency to turn the specialness of the outstanding individual into a specialness, not of degree, but of kind; so that the outstanding artist comes to be seen as the man whose unique insight justifies not only honour but a particular kind of exceptionalism: because he may be right when everyone else is wrong he must be exempt from the common obligation to stand by the common judgment.

Osmond Robb was right, I think, to query the formulation used in the last paragraph of my original article when he wrote:

> "If the artist is 'different from other people only in the sense of being better able to express what all feel', how does it come about that he can show his fellow men what they have not been able to see for themselves, what may shock and anger them to be made to see?"

I agree that the way I put this was not quite satisfactory, but I think the confusion is a verbal one, and due very largely to the difficulty of expressing dialectical reality in language which is itself not dialectical. The difficulty in making the point I was after quite adequately is, I think, rather similar to the difficulty one gets into when one tries to argue against someone who justifies the *Daily Mirror* on democratic grounds because it gives the people what they want. "Want", like "feel", is a tricky word. In one sense obviously millions of people do want the *Daily Mirror* or they wouldn't buy it. But in a more fundamental sense (which isn't easy to put into words) we know they don't want it at all, that, on the contrary, it renders impossible other things they more truly want.

Another example of this contradiction can be seen by an examination of the role of the Communist Party. The good artist can show people what they had not previously seen. So can the good Communist. But the fact that the Communist Party is a vanguard, a leadership, seeing

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more clearly than the mass of the people how society works and how it can be changed, doesn't make the aims and aspirations of the Party basically different, or different in kind, from those of the working class as a whole. Communists are different from other people; they are Communists. But they certainly do not claim that their insight gives them any special privileges in relation to the rest of the people, though they do recognise that it gives them special responsibilities.

When Osmond Robb says (of Hemingway, but it might be of any artist) "He was doing his duty as a writer, no matter what any political leadership might say, by setting it down", he seems to me to be stating both a half-truth and a misleading implication. He is quite right in saying that a writer has the duty to set down and call attention to truths, however unpleasant or inconvenient, that he comes up against. So, incidentally, do we all. But how, in what circumstances and in what way we set them down must depend surely on circumstances. It is right for progressive people to expose abuses in the working class movement, but the way they do this will depend on all the factors of the situation. It *may* be right to publish such criticisms, but it is naive to imagine that it is *always* best to wash dirty linen in public.

What Comrade Robb is in fact enunciating is the principle that a writer, just because he is a writer, has the right to have his say irrespective of the overall social effect of what he is writing. If he does *not* hold this view then he must agree that writers are subject to the same principles of judgment as everyone else and we are not in disagreement.

The misleading implication in the phrase I have just quoted is that a "political leadership" is—like the artist—somehow "special", but this time in a bad rather than a good sense. In other words it suggests a basic hostility between the political leaders of the working-class movement and those who make up that movement—progressive writers included. Now it would be silly to pretend that there are never differences of emphasis, attitude or judgment between artists and political leaders even though all are serving the same cause. Obviously there are, and they can be quite deep and bitter. But to suggest that on such disagreements there is an *a priori* case that the artist is always right does not seem to me to be justified by experience.

All of which is not to say that it is wrong to talk about and emphasise the unique gifts of the good artist. I agree with David Craig that it would be wrong to substitute for an appreciation of the unique value of art "theories which would either deny any such uniqueness or else hint that it was a minor, ineffectual sort of talent and achievement that he contributed to society"; but I do not feel that Peter Pink or Stan Searchfield did this. The argument is not about the unique value of art, about which all who have contributed to the discussion are I think agreed, but about whether the artist's uniqueness must or should land him outside the general obligations of social beings. Or, to put it another way, whether art is in some way above the struggle.

(ii) The Question of Guidance

It is far easier to talk in rather vague general terms about "the overall social effect" of a writer's work than to work out in practice the most satisfactory ways of judging such work, or to help writers to feel at one with the progressive developments of their time. This was the burden of Jack Lindsay's interesting and far-ranging contribution and of Dave Wallis's *cri de coeur*.

I sympathise very deeply with Dave Wallis's plea for a more realistic and unsentimental understanding of the writer's problems. I agree with him without reservation in his emphasis on the importance of economic and physical considerations — tiredness, overwork, shortage of money etc. It is quite true that the difficulty about the development of an articulate working class art is just as much economic as ideological. As militant a character as Robert Tressell had to withdraw almost completely from political activity in order to write *The Ragged-Trousered Philanthropists*.

It is also true, as T. D. Smith points out, that it is very difficult to discuss works of art with scientific precision and certainty. This is because works of art are so complex, so many-sided, and it is precisely this many-sidedness that distinguishes the best art from the second-rate. The social sciences will *never* be as precise as the natural sciences; but that doesn't mean that they can't be at all precise. The danger of Comrade Smith's approach it seems to me, is that it tends to make books undiscussable except in the most subjective terms, and therefore blurs the whole question of their actual content, value and effect.

Dave Wallis is a hundred times right when he emphasises the problem of the time-factor in writing. The reason why artists so often say that it is useless for them to try to discuss or even to think very rationally about their work, is that artistic creation needs a degree of absorption in the material, and a poise on the part of the artist, which can seldom be translated into terms other than those they are actually involved in. It is not, I think, a matter of "intuition versus reason" but rather that the sort of insights that an artist is

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dealing in are often so complex and subtle, so perilously balanced, that it is hard to analyse them without losing their essence. But if we use the word intuition for the artist's thought-processes we should realise that we are not implying something "above" or "outside" reason so much as a particular way (a short cut one might call it) of bringing the mind to bear on the complexity of reality. Artists work in terms of images, not in order to escape logic and rational thinking, but because the right image or series of images is so inclusive in its expressiveness.

All this means that in the realm of art the giving of guidance is at best a difficult business, calling for any amount of broad human sympathy. But of course Dave Wallis is putting on an act when he pretends to believe that the Party's conception of "giving guidance" to artists means telling a writer in a narrow, dogmatic sense what he should write or how he should write it. Of course no one expects a representative of the Social Services Sub-Committee to be present in the surgeon's operating theatre; but this doesn't mean that the surgeon and the social services sub-commitee can't be of the greatest help to each other in plotting out the general needs and priorities in the development of medicine in this country, and even the question of the *value* of certain surgical procedures [e.g. abortion, brain operations]. It is only on matters of purely medical judgment and surgical technique that the surgeon has the right to stand out for "non-interference" as a principle, and even such a term as "purely medical" has, as we all know, its ambiguities, because it is so difficult to isolate completely medical judgment from social and ethical ones [e.g. Catholic doctors' attitude to contraception and birth-risks; limitations of hospital space etc.].

Under socialism, of course, doctors and other scientists are in practice freer than in class society, and precisely because the state does, at a basic level, "interfere" (which means in this context "accept responsibility") much more than under capitalism.

I don't see why Dave Wallis should be insulted if someone who isn't even a literary critic—or for that matter a group of people who aren't literary critics—should suggest to him what sort of a book he should write or even how he should write it. That sort of thing happens all the time to many highly-skilled practitioners, to architects for instance. Of course Dave Wallis—or the architect—has every right to tell his critics or advisers or clients that they are talking out of the back of their necks, and just as every good architect knows it is part of his job to convert his clients, so does the good writer convert, not to say confound, his critics. But unless you are going to put the artist *above* the people or else adopt a policy of cultural *laisser-faire* you have to recognise the people's right to make demands on their artists; and how should they make such demands save, directly or indirectly, through the Party which is concerned with every aspect of the people's welfare?

Of course I know it doesn't always work out like that. Of course I know the sort of thing Dave Wallis has in mind when he says "it is fear of committee direction which makes many of us wary". And, to shift the argument a little, I agree with Jack Lindsay's general point about much Soviet literary criticism and its responsibilities. And yet, having dug up every indefensible statement on cultural matters made over the last quarter of a century in the Soviet Union and bearing in mind all the abuses, stupidities and philistine possibilities inherent in any attempt to give general guidance to artists, I still feel certain that a socially responsible attitude to the arts is better than a socially irresponsible one, and I don't for the life of me see how a socially-responsible attitude can avoid the giving—in non-dogmatic terms—of leadership, or the acceptance in the last resort by the individual of the wisdom (and therefore also the mistakes) of the collective.

Also I think, without wanting to sound stuffy, that we should be careful not to imply in ourselves more faults than we actually have. I don't really think Dave Wallis has been much subjected to "committee direction" in the Communist Party! And though I quite agree with Jack Lindsay (writing about *Zhivago*) that "we should be careful about polemically tying our colours to an argument absolutely justifying the ban on such a book", I think it should be added that this has not in fact been done. My own feeling about *Zhivago* is that, though written from a reactionary point of view and containing certain grave distortions of fact, it is nevertheless a more considerable piece of work than either Jack Lindsay or the editors of *Novy Mir* think. But I would not dream of questioning the freedom of the Soviet Union to decide whether or not to publish Pasternak's novel.

One of the difficulties about the relation of art to politics is that, like other complex and delicate questions, it involves from time to time decisions which are neither complex nor delicate but urgent and rough-and-ready. I would certainly not disagree with Jack Lindsay when he writes "[The Party's] guidance can only be justified, can only be truly effective, when there is a ceaseless all-round effort to develop the Marxist analyses of society and aesthetics". True enough; yet even as

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I nod my agreement I am conscious of a hint of perfectionism in the thought.

One cannot after all make one's support of the general line and operation of the Party *conditional* on the satisfactory development of every aspect of its work, even of one with which one is particularly concerned. I would be happier therefore if Jack Lindsay had omitted "can only be justified" and stuck to the rest of his sentence. Then I would feel like giving not just two cheers but three, because the thought that remains is true and deep and necessary—and *needs to be fought for.*

May I end by quoting one of my favourite passages from William Morris—not because I feel it says the last word on the subject but because it is so full of the right kind of thought and feeling on this most elusive of subjects:

> "I do not believe in the possibility of keeping art vigorously alive by the action, however energetic, of a few groups of specially gifted men and their small circle of admirers amidst a general public incapable of understanding and enjoying their work. I hold firmly to the opinion that all worthy schools of art must be in the future, as they have been in the past, the outcome of the aspirations of the people towards the beauty and true pleasure of life. And further, that now that democracy is building up a new order, which is slowly emerging from the confusion of the commercial period, these aspirations of the people towards beauty can only be born from a condition of practical equality of economical condition amongst the whole population. Lastly, I am so confident that this equality will be gained, that I am prepared to accept as a consequence of the process of that gain, the seeming disappearance of what art is now left us: because I am sure that that will be but a temporary loss, to be followed by a genuine new birth of art, which will be the spontaneous expression of the pleasure of life innate in the whole people."

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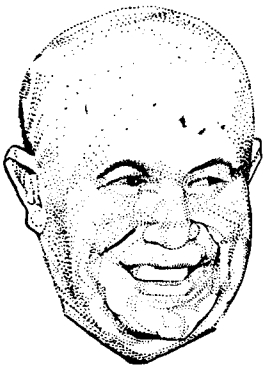

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and printed travelling books and unlike
his usual self-disciplined self
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down to read dimples booklets.
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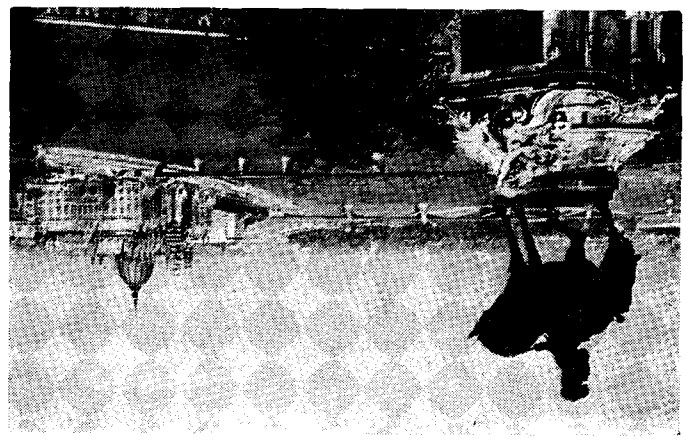

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